Daily Report

Latin America

FBIS-LAT-91-229
Wednesday
27 November 1991

Daily Report
Latin America

FBIS-LAT-91-229 *27 November 1991*

CONTENTS

NOTICE TO READERS: An * indicates material not disseminated in electronic form.

INTERNATIONAL AFFAIRS

Group of 15 To Meet in Venezuela 27-29 Nov *[AFP]* 1
Leaders Begin Arriving *[Caracas TV]* 1
Indonesian President Arrives *[Caracas TV]* 1

CARIBBEAN

Cuba

Haitians in Canadian Embassy Request Asylum *[Havana Radio]* 3
Plans To Open Camps in Guantanamo Base Noted *[Havana Radio]* 3
Haitian Refugees Risk Repatriation by U.S. *[Havana TV]* 3
Health Staff Work To Prevent Epidemic in Maisi *[Havana TV]* 3
U.S. 'Plan To Overthrow Saddam Husayn' Noted *[Havana TV]* 3
Overthrow Plan Denial Reported *[Havana Radio]* 3
Joint Enterprise With Lithuania Established *[Havana Radio]* 4
Castro Addresses Regional Trade Unions Meeting *[Havana TV]* 4
Castro Says Revolution Stands for Independence *[Madrid EFE]* 4
Intensified Tourism Promotion Recommended *[Havana TV]* 5
People's Councils Analyze Fight Against Crime *[Havana Radio]* 5
Labor Team Reports Work-Related Deaths in 1991 *[Havana Radio]* 5

Dominica

Government Willing To Absorb Some Haitians *[CANA]* 6

Dominican Republic

Residency Weighed for Haitian Sugar Workers *[Santo Domingo Radio/TV]* 6

Haiti

Delegates Explain Failure of Cartagena Talks *[Port-au-Prince Radio]* 6
PAIN Condems Embargo, OAS 'Calamity' *[Port-au-Prince Radio]* 7
Hunger Strike Against OAS Embargo Continues *[Port-au-Prince Radio]* 7
No Immunity Guarantee to Embassy Occupiers *[Port-au-Prince Radio]* 8

Jamaica

Illness Forces Prime Minister To Skip Summit *[CANA]* 8

St. Lucia

Country Divided on Asylum to Haitians *[CANA]* 8

CENTRAL AMERICA

El Salvador

FMLN Communique on Army's Military Plan *[Radio Venceremos]* 10
FMLN Demands Halt to 'Offensive Operations' *[San Salvador Radio]* 10

END Command Communique Details Army Operations *[Radio Farabundo Marti]* 11

Nicaragua

Pastoral Letter Includes Criticism of Government *[LA PRENSA 24 Nov]* 11
Recontra Leaders Continue Harassment in North *[Managua Radio]* 12

SOUTH AMERICA

Argentina

Economy Minister Denies Attempt for IMF Waiver *[TELAM]* 13
* Cavallo Clashes With Provinces on Transfers *[AMBITO FINANCIERO 30 Oct]* 13
* Somisa Experience Leads to New Layoff Policy *[AMBITO FINANCIERO 29 Oct]* 14

Brazil

Civil Service Wages, Christmas Bonus Guaranteed *[Brasilia Radio]* 15
Natural Gas, Pipeline Accord With Bolivia *[Brasilia Radio]* 15
* Informatics Firms Seek Out Foreign Partners *[EXAME 2 Oct]* 15
Postal Technology Accord Signed With Cuba *[Brasilia Radio]* 18

Chile

Minister on Relations With Soviet Republics *[EL MERCURIO 21 Nov]* 18
Aylwin Opens Socialist International Council *[Santiago Radio]* 19

Colombia

Government-Guerrilla Dialogue Suffers Setback *[Santa Fe de Bogota TV]* 19
Vergara Battalion Soldiers Contract Cholera *[Santa Fe de Bogota TV]* 19

Peru

Dircote Breaks Up Shining Path Hit Squads *[LA REPUBLICA 17 Nov]* 20
Shining Path Leader Arce Borja Interviewed *[EXPRESO 17 Nov]* 23
PCP Leader Del Prado on Party 'Crisis' *[LA REPUBLICA 15 Nov]* 24
Port Workers Begin Indefinite Strike *[Lima TV]* 25
Marines Control Ports Following Workers Strike *[Madrid EFE]* 25
Fujimori, Borja Talks on Border Issue Viewed *[Madrid EFE]* 25
Poll Shows Fujimori's Popularity Increasing *[EXPRESO 20 Nov]* 26
Central Bank Reports International Reserves *[EXPRESO 13 Nov]* 26

Venezuela

President Perez Interviewed on Economic Issues *[O GLOBO 23 Nov]* 27
Seven Wounded in Presidential Summit Protest *[Mexico City NOTIMEX]* 29
Students Plan Protest Against Police Actions *[Hamburg DPA]* 29
Minister Says No Increase in Student Bus Fares *[Caracas TV]* 30

Group of 15 To Meet in Venezuela 27-29 Nov

PA2611030291 Paris AFP in Spanish 0101 GMT 25 Nov 91

[Text] Caracas, 24 Nov (AFP)—Venezuelan Foreign Minister Armando Duran told AFP on 24 November that 11 presidents and prime ministers will attend the Group of 15 [G-15] summit to be held in Caracas from 27 to 29 November.

Those not to attend the summit are: Brazilian President Fernando Collor de Mello, Egyptian President Hosni Mubarak, Nigerian President Ibrahim Babangida, and Yugoslav President Stjepan Mesic.

Those to attend are: Algerian President Chadli Bendjedid, Argentine President Carlos Menem, Indian Prime Minister Narasimha Rao, Indonesian President Suharto, Jamaican Prime Minister Michael Manley, Mexican President Carlos Salinas de Gortari, Peruvian President Alberto Fujimori, Senegalese President Abdou Diouf, Zimbabwean President Robert Mugabe, and Venezuelan President Carlos Andres Perez.

Only heads of state or government can participate in the summit, although the possibility of declaring Butros Ghali of Egypt as the guest of honor was considered. Ghali was recently elected UN secretary general and is President Mubarak's personal representative.

The G-15 summit is preceded by preparatory meetings, which began on 24 November, of the heads of state's personal representatives and a meeting of the troika—made up of the foreign ministers of Malasia, Senegal, and Venezuela—to be held on 26 November.

The G-15 was created in 1989 to support the Nonaligned Movement. Its last summit was held in Kuala Lumpur, Malaysia, in June 1990.

Leaders Begin Arriving

PA2711040491 Caracas Venozalana de Television Network in Spanish 0000 GMT 27 Nov 91

[Text] The second presidential summit of the Group of 15 [G-15] will begin in Caracas on 27 November amid an atmosphere that could greatly benefit the countries of the group. The topics for discussion—including economic growth, trade, and the various business opportunities that will emerge from the integration of these nations—dispel the idea that this summit will be filled with the empty discourse that has characterized the developing countries' movements in the past. Here is a report by Jenny Silva:

[Begin Silva recording] The activities on 26 November centered on a meeting of the group's troika [Venezuela, Malaysia, and Senegal], which polished some details that will be the focus of discussion when the foreign ministers begin meeting at 0900 on 27 November.

Six heads of state arrived in Venezuela on 26 November. They are the leaders of Algeria, Senegal, India, Jamaica, Argentina, and Zimbabwe. Those from Nigeria and Mexico will arrive on 27 Novemiber. Julius Nyerere, chairman of the South Commission, will also arrive on 27 November. The following leaders are already in Venezuela: Indonesian President Soeharto; Butrus Ghali, Egyptian deputy prime minister for foreign liaison and UN secretary general-elect; and the Malaysian prime minister.

According to the agenda and comments by ambassadors, the most important meeting will not be the 27 November afternoon session but the 28 November session amid the impressive natural setting of Guri in Guayana. That will be a day for reflection. A similar day was held in Kuala Lumpur, Malaysia, where the first G-15 presidential summit was held. According to comments by high level sources during the troika's meeting on 26 November, the day of reflection will be an ideal occasion to examine the possibilities for cooperation and the necessary reorganization in international politics. According to these sources, it is in this informal setting, far from public speeches and casual clothes, that agreements and decisions will be easier to reach. If the leaders and representatives from Algeria, Indonesia, Argentina, Brazil, Egypt, India, Jamaica, Malaysia, Mexico, Nigeria, Peru, Senegal, Yugoslavia, Zimbabwe, and Venezuela have any doubts about the challenge represented by the economic development of their countries, the power of the Guri region will remind them of what men of the South can achieve when they are determined.

The 27 November activies will center on two events: At 0900, the foreign ministers will begin their meeting. They will work all morning long on the agenda that will be used for the discussions of the presidents beginning at 1500. The presidential meeting that begins on the afternoon of 27 November will continue in Guri on 28 November. During a news conference on 29 November, the presidents will present the conclusion of this second presidential summit of the G-15 in Caracas. [end recording]

Indonesian President Arrives

PA2511215791 Caracas Venezolana de Television Network in Spanish 1555 GMT 25 Nov 91

[Text] Indonesian President Suharto is paying an official visit to our country to attend the Group of 15 [G-15] meeting. He placed a wreath on the tomb of Simon Bolivar, visited the National Newspaper Library, and is now meeting with President Carlos Andres Perez at the Miraflores Palace.

Suharto arrived at the Simon Bolivar International Airport in Maiquetia on 24 November and was greeted by President Perez and first lady Blanca Rodriguez de Perez.

This is the first visit by an Indonesian president to Venezuela. Important agreements, particularly on petroleum matters, are expected to be signed, as both nations are OPEC members.

Upon his arrival, Suharto gave a brief statement to the Venezuelan people:

[Begin Suharto recording, in Indonesian with passage-by-passage translation into Spanish] It is a great honor for my wife and I to visit Venezuela and bring you greetings from the Indonesian people. I am sure this visit will further strengthen the ties between our countries and result in even greater cooperation. Thank you. [end recording]

Cuba

Haitians in Canadian Embassy Request Asylum

FL2711024791 Havana Radio Rebelde Network in Spanish 0011 GMT 27 Nov 91

[Text] The 19 Haitian youths who have been occupying the premises of the Canadian Embassy in Haiti since last week have asked the consular authorities for asylum in either Venezuela or Canada. Until now, their requests for asylum have been denied by the Venezuelan and Canadian Governments, which have urged the youths to voluntarily leave the diplomatic mission.

Meanwhile, General Raoul Cedras, the leader of the military coup, has said that the police would intervene only after Canada makes an official request. According to embassy sources, the 19 occupants have threatened to blow up the building if they do not receive political asylum.

Reports from Port-au-Prince also mention that four more Haitian youths, who are members of a mass organization, have continued their hunger strike in front of the OAS offices, demanding an end to the economic embargo against their country.

Plans To Open Camps in Guantanamo Base Noted

FL2711123691 Havana Radio Reloj Network in Spanish 1219 GMT 27 Nov 91

[Text] The U.S. Department of Defense is planning to open temporary camps for Haitian refugees at the Guantanamo Naval Base, which the United States illegally occupies in our territory.

Haitian Refugees Risk Repatriation by U.S.

FL2611125291 Havana Tele Rebelde and Cuba Vision Networks in Spanish 0100 GMT 26 Nov 91

[Text] It was learned in Washington that more than 400 Haitians, who have been picked up by the U.S. Coast Guard, are facing the risk of being repatriated because the U.S. Immigration Services has denied them entrance to the country. With the excuse that those immigrants seek economic opportunities and, therefore, are not being persecuted for political reasons, the Bush administration is denying them refuge and refugee status.

Human Rights defense organizations and some U.S. congressmen have protested against this measure that has been described as segregationist and which, to date, has affected more than 1,400 people who have arrived in the United States since President Jean-Bertrand Aristide was overthrown in September.

Health Staff Work To Prevent Epidemic in Maisi

FL2611194291 Havana Tele Rebelde Network in Spanish 1200 GMT 26 Nov 91

[Text] The health personnel sent to Maisi Point, in light of the capsizing of a Haitian sailboat, are performing a thorough job of cleaning and disinfecting. Many doctors, nurses, and sanitation workers, as well as other health specialists began arriving at the site immediately after the disaster, which caused the deaths of more than 130 people, to prevent the appearance or propagation of any epidemic in the region.

U.S. 'Plan To Overthrow Saddam Husayn' Noted

FL2611125091 Havana Tele Rebelde and Cuba Vision Networks in Spanish 0100 GMT 26 Nov 91

[Text] Pressured by the proximity of the 1992 elections, U.S. President George Bush has set out to resolve the frustration caused by the end of the Persian Gulf War with a plan to overthrow Iraqi President Saddam Husayn.

According to today's edition of THE WASHINGTON POST, an interagency committee directed by the White House is studying proposals that include offers of direct and covert aid to Iraqi rebels and protection for an alternate government. The newspaper that quoted unidentified Republican sources, comments that Bush is desperate because of the proximity of the elections and the Democratic Party's criticism. The Democrats say that Husayn lost the war but continues in power and that this reduces the significance of the victory of the United States in the war.

The newspaper underscores that a consensus is still to be reached at the White House regarding the importance of the idea of overthrowing the Iraqi president. However, for most observers, the anemic situation of the economy and other domestic problems are what could create difficulties for Bush in the November 1992 elections that, in the beginning, they thought he could win without problems.

Overthrow Plan Denial Reported

FL2611231991 Havana Radio Reloj Network in Spanish 2055 GMT 26 Nov 91

[Text] The U.S. Government has denied that it is planning to overthrow Iraqi President Saddam Husayn, even though it has admitted it will not change its position regarding Iraq as long as Saddam Husayn is in power. State Department spokeswoman Margaret Tutwiler said that Washington is reviewing its policy toward Iraq; and that this policy is not aimed at eliminating one person. She admitted that the Iraqi people are being hurt because of their isolation, the embargo, and the economic problems resulting from the embargo. She also said that it is the Iraqis who must select their leaders.

Tutwiler responded to remarks made yesterday by THE WASHINGTON POST, which stated that the U.S. Government is analyzing plans to overthrow Saddam Husayn in order to resolve its frustration over the Persian Gulf War.

Joint Enterprise With Lithuania Established

FL2611231891 Havana Radio Reloj Network in Spanish 2034 GMT 26 Nov 91

[Text] At the headquarters of the Ministry of Justice in Havana, an agreement was signed which establishes the Cuban-Lithuanian joint enterprise for assembling and manufacturing electric meters and other instruments. Agustin Plasencia, director of the Energy and Technical Services Enterprise of the Ministry of Basic Industry, signed the agreement for Cuba, and (Babilius Vincas Jestutis), general director of the Lithuanian Technical and Electric Equipment Factory, signed for Lithuania.

The enterprise will be ready to begin the assembly of electric meters by 15 December. An installation in Villa Clara has already been adapted by the Energy and Technical Services Enterprise. During the first year, some 100,000 electric meters will be assembled in Cuba. Some 27,000 have already arrived in the country for that purpose.

Castro Addresses Regional Trade Unions Meeting

PA1311034991 Havana Tele Rebelde and Cuba Vision Networks in Spanish 0100 GMT 11 Nov 91

[Text] President Fidel Castro met with representatives of trade unions and women's organizations of the American Continent who for three days debated at the Convention Center on the effects of neoliberalism in Latin America.

During the meeting, Fidel told them about the current situation in our country.

[Begin Castro recording] [applause, crowd chants Fidel! Fidel! Fidel! as he arrives at the Convention Center] Our country has had to face great challenges in various fields: political, economic, moral, ideological. The [communist] downfall [desmerengamiento] resulted in the weakening of the democratic and progressive movement throughout the world. It also discouraged many progressive people who wanted social change.

We have had to face all those problems, but we are still here, right? You are here with us, meeting with us, reviewing those problems together, and expressing your solidarity toward little Cuba. When I say little, I am not seeking your compassion. Cuba is small in size and territory, but is big in spirit and patriotism, in its sentiments of liberty and independence, in its revolutionary principles, and in its firmness and determination to defend its ideas at any cost. That is how we are: small in everything, but big whenever it is necessary to be big these days.

That is why I tell you that we will never disappoint you for the support you have given our people, for the confidence you have shown in Cuba. Today Cuba is tenaciously fighting, using its resources, and the experience and talents it has created and accumulated all these years. Our biggest resource at this time is not oil or gold. We do not even have gold mixed with sand to carry on our shoulders. We have created great wealth: our people's talent, education, knowledge, and scientific ability. Today that resource is our main weapon in this struggle for survival. [end recording]

Castro Says Revolution Stands for Independence

PA2611223691 Madrid EFE in Spanish 1532 GMT 26 Nov 91

[Text] Madrid, 26 November (EFE)—For Cuban President Fidel Castro, "The revolution stands for independence and we will defend it to the last breath and the last drop of blood, no matter what sacrifices might be necessary."

In an interview published on 26 November in the Spanish weekly, TIEMPO, Castro claimed that Cuba only became independent as a result of the revolution and that "therefore, for us, the revolution does not only stand for socialism and social justice, but for independence."

Castro conceded that the reduction in Soviet aid has had "many" repercussions on the Cuban people's standard of living, but he insisted that the problem will be solved by "a great dosage of courage, determination, patriotic spirit, revolutionary spirit, and the will to defend our system."

Asked his opinion of "perestroyka," Castro said that at the beginning Gorbachev "was full of the best intentions," but that "the crux of the matter lies in the implementation of the reforms with which he intended to improve socialism in the USSR."

Castro added: "In the beginning there was never any talk of market economy or capitalism. We were far from imagining that the Soviet Union's Communist Party would be dissolved and banned by a decree." He goes on to say that "the latest results have been very different from those that Gorbachev himself expected."

Castro revealed that "it is very probable" that he will visit Spain in 1992 to attend the ceremonies celebrating the Olympics and the 500th anniversary of the discovery of America.

Regarding the discovery of America, Castro said that while he has made a "critical analysis of the events surrounding the period of the discovery and conquest of America, I have also made a fair analysis of the many contributions that Spain has made to this hemisphere."

He continued: "In the first place, I say that we are very happy that it was the Spaniards who discovered us and

not the Anglo-Saxons because they killed off the population, while the Spaniards blended in with it."

Intensified Tourism Promotion Recommended

FL2711023991 Havana Tele Rebelde and Cuba Vision Networks in Spanish 0100 GMT 27 Nov 91

["Focus" commentary]

[Text] Many people have opinions about tourism. In their campaigns against the revolution, Cuba's enemies try to project a discriminatory image about tourism based on what they have called "tourism apartheid," with the aim of undermining the development of this policy which is more than necessary; it is essential. Of course, in any conversation about this subject, there will always be varying opinions because there is a lack of understanding or because there is unjustified resentment on the part of some people, and on most occasions because our dissatisfactions mistakenly associate the tourism policy with some of our daily problems.

One current of thought which is quite widespread, especially in Havana, tends towards judgments and comparisons between the management of tourism in Cuba aimed at obtaining hard currency, on the one hand, and the options the state has managed to offer to domestic tourism up to now, on the other. During this year, however, more than 6,000 hotel rooms—almost 30 percent of all hotel capacity—have been devoted full time to domestic tourism for various purposes. Of course, no one has the slightest idea of what it is costing, especially in hard currency, to maintain this level of attention that is used preferentially to award the best workers and honeymooners, among other purposes. This is especially true now, when each dollar has to be weighted carefully in deciding what to invest it in to ensure that our priorities will be covered.

You should know that a total of $50 to 70 million have been allocated for spending on imported supplies to provide for domestic tourism at this time. What does this allocation mean in concrete terms? With this same money, for example, we could buy the equivalent of frozen chicken needed to distribute to the entire population during the nine-day cycles, for more than eight months. In fact, Cuba is not basing its development on tourism, but rather is using it as a quick source of financial liquidity to obtain funds that will make reinvestment possible and ensure the people's basic needs, while it serves as a source of jobs and an essential means for gradually increasing services.

During the last four years, we have begun to take off in this direction, with full knowlege of other complexities and influences which have not always been positive. Everything has led to prioritizing international tourism. The attention that has been paid to this effort has made it possible to virtually double hotel capacity during the last period, and this year we have already received 25 percent more tourists than in 1990, with an average stay of 10 days. Very great efforts are being made in these areas right now. Besides the work on the causeways and many other projects, a number of hotels are under construction, and this will mean having 11,000 more rooms by 1994.

In spite of these results, which show what progress can be made when there is a will and an emphasis on a given direction, our tourist institutions have not yet achieved a high enough occupancy rate for their capacity. Neither have they reached a good ratio of workers per room. It is true that a good part of our tourism is transitory. Especially in the capital, hotels sometimes have a number of empty rooms as part of general operating procedures since they are used as springboards for travel to the rest of the country. This causes uncertainty, which forces us to keep them in reserve for unforeseen events.

In spite of this, we need to move to intensive forms of utilization in international tourism, rather than the extensive forms we have had to date. [words indistinct] as a result of deficiencies in administrative operations and marketing management, our occupancy rate is very low, approximately 50 percent per year. So that you may have an idea, if the entire network of hotels improved this occupancy rate by only 5 percent each year, it would represent adding a number of rooms equivalent to two of the largest hotels we are building.

As can be seen from these explanations, these deficiencies are having a serious impact on the country at a time when it is more essential than ever to increase our available hard currency, which in turn has had negative repercussions on all the country's investment efforts.

People's Councils Analyze Fight Against Crime

FL2611193591 Havana Radio Progreso Network in Spanish 1725 GMT 26 Nov 91

[Text] Army Corps General Abelardo Colome Ibarra, minister of the interior, has presided over a meeting in the capital with regional presidents of the People's Councils of Havana City with the purpose of examining the fight against crime. In the meeting they analyzed the measures established to implement the Unified Vigilance and Protection System in the capital and the current situation in the fight against crime.

Labor Team Reports Work-Related Deaths in 1991

FL2611145891 Havana Radio Rebelde Network in Spanish 1324 GMT 26 Nov 91

[Text] The comrades of the provincial delegation of State Labor Inspection have reported that as of the end of October there have been 134 work-related deaths in the country. So far, Havana Province has the highest rate with 50 deaths. The main causes are: unsafe working conditions, violation of work rules, and the lack of training and relaxed discipline of managers.

In Las Tunas Province the number of deaths has decreased since this delegation was created in 1988. For example: In 1987 there were 18 accidents with 19 deaths;

in 1988 accidents increased again to 21 with 22 deaths; the rate remained almost the same in 1989; and this year, 1991, there have been seven accidents and seven deaths.

The members of the provincial delegation asked me to bring this to the attention of the enterprises to see how we can reduce the number of work-related accidents and halt this cancer which every year affects a large number of Cuban homes and work centers. The Ministry of Sugar Industry and the Ministry of Agriculture are the main organs involved in labor accidents in Las Tunas.

I repeat, the number of deaths in the country at the end of October is 134, a figure which should be eliminated.

Dominica

Government Willing To Absorb Some Haitians

FL2711022791 Bridgetown CANA in English 2141 GMT 26 Nov 91

[Text] Roseau, Dominica, Nov 26, CANA—An economist, Joey Peltier, suggests Dominica should accept 500 Haitian refugees for settlement. But it looks as if fewer people fleeing the strife-torn country—if any—will find a home here.

Peltier, who heads a non-governmental organisation called the Small Projects Assistance Team [SPAT], said: "In light of our own critical population situation down here in Dominica, we would like to see at least maybe five hundred to a thousand Haitians initially ...admitted into this country...After this initial period, once an assessment is done to review the situation for further consideration. But I think an initial amount of five hundred people at least could be considered for entry into this country," Peltier argued. (SPAT) has suggested that Dominica can welcome some five hundred Haitian refugees. He said Haitians would have few problems settling here, as they are linked to Dominica by the French Creole language, cultural practices, and music.

"Dominica is probably one of the few countries in the Caribbean where the Haitians can feel at home, culturally, racially, and they can integrate into the community," the local economist said.

The United States has been encouraging Caribbean countries to accept some of the hundreds of Haitians who have fled Port-au-Prince after a coup d'etat. The Dominica Government has indicated its willingness to make a token gesture of taking in some Haitians. It says it is constrained by a housing shortage, unemployment, and lack of adequate infrastructure to handle an influx of refugees.

With growing concern about an influx of Haitian refugees, Jamaica says it is standing firm on a maximum of one hundred. Two boatloads of Haitians bound for the United States ended up in Jamaica over the past week. And Jamaican authorities are now providing temporary accomodation for the eighty-six Haitians.

Minister of State in the Jamaica Foreign Ministry Benjamin Clare said the island was not prepared to increase the limit. He said if there were more than 100 Haitians, arrangements would have to be made to "remove the excess as early as possible."

Trinidad and Tobago and Belize have also agreed to take Haitian refugees. The Belize Government says the 100 Haitian refugees it is prepared to accept will be settled with a similar number of Belizeans at a village to be created 20 miles from Belize City. The Haitians will be given land and houses in a settlement next to the village of Hattieville which was established thirty years ago following a devastating hurricane. In line with the integration policy, a hundred Belizeans will be given similar assistance to enable them to settle in the same area.

Dominican Republic

Residency Weighed for Haitian Sugar Workers

FL2611181791 Santo Domingo Radio-Television Dominicana Radio Network in Spanish 1600 GMT 26 Nov 91

[Text] Dr. Licelott Marte de Barrios, secretary of state for finance and president of the administrative council of the CEA [State Sugar Council], has reported that the government plans to grant legal residency to the Haitian workers who labor in the sugar harvest. Mrs. Marte de Barrios said that the sugar harvest will begin in December on the state's lands and that the basic goal is to produce 400,000 metric tons of sugar. She added that resident status is going to be granted to the sugarcane cutters in order to ease harvest efforts. Mrs. Marte de Barrios pointed out that hundreds of Haitians who annually work in the sugar fields reside permanently on Dominican soil and added that residency is being extended to them in order to ensure their permanence in the sugar labor.

Haiti

Delegates Explain Failure of Cartagena Talks

FL2611213191 Port-au-Prince Radio Soleil Network in Creole 1200 GMT 26 Nov 91

[Report on news conference by parliamentarians at the Legislative Palace in Port-au-Prince on 25 November—recorded]

[Excerpts] The Haitian parliamentary delegation places responsibility for the failure of the Cartagena negotiations on Father Jean-Bertrand Aristide, who refused to sign the declaration that emerged at the conclusion of the two-day negotiations. The declaration focused on four objectives: a return to constitutional order; lifting of the embargo; creation of a police corps supervised by the Ministry of Justice and professionalization of the Haitian Armed Forces; and finally, the resumption of international aid.

Father Aristide refused to sign the final text because of his objection to one sentence: The two parties agree on the return to continuation of the constitutional order in light of Article 134.1 of the 1987 Constitution. The article in question stipulates the following: The president of the republic is elected for five years. Father Aristide and his delegation did not agree with this sentence. They preferred that the declaration stipulate straightaway that Aristide should quickly return to power and that a new government should be formed as soon as possible. According to Chamber of Deputies President Duly Brutus, this explains the failure of the Cartagena negotiations:

[Begin Brutus recording] [words indistinct] to concretely determine how we can arrange his return to Haiti. We unfortunately did not have concrete proposals. The proposals specified the immediate formation of a new government. The parliament's position was that we cannot be a priori opposed to Father Aristide's return. But we think this question activates so many passions throughout the country today that it seems to require all sons and all vital sectors of this nation to sit together around a table [words indistinct]—why not?—a real national conference that could gather together all vital sectors of national life. Unfortunately, they never explored this clause. [passage omitted] [end recording]

In his report on the Cartagena meeting, Deputy Duly Brutus explained the parliamentarians' reactions before they began to discuss Aristide's return to Haiti. The parliamentarians presented a global analysis of the political situation of the country before, during, and after the elections in order to find a solution that would prevent the possibility of popular unrest.

Senate President Dejean Belizaire said the parliamentary delegation provided evidence of good will and of a real desire to reach a compromise solution to the country's political crisis. Despite everything, we cannot yet talk about failure. If there was indeed failure, it was not the fault of parliament, but, rather, to Father Aristide, said Senator Dejean Belizaire, who attributed all the consequences of the embargo to the deposed president. [passage omitted]

The Senate president said the door to negotiation is not closed. The parliamentarians proposed a big, national, political debate during which all sectors could provide input as to how Father Aristide's return could be arranged, as the parliamentarians do not wish to bear this responsibility alone.

PAIN Condems Embargo, OAS 'Calamity'

FL2611204491 Port-au-Prince Radio Nationale in Creole 1100 GMT 26 Nov 91

[Press release from the National Agricultural and Industrial Party, PAIN; signed by Louis Dejoie, president, and Abel Nicholas Leger, secretary general]

[Excerpt] [passage omitted] Representatives of our people met in Cartagena, Colombia, a heart-rending show for the Haitian people, an unequalled example in contemporary history of international pressure.

Representatives of the Haitian provisional government, delegates of an overthrown executive government, and a functioning parliamentary corps met in Cartagena on 23 and 24 November. These compatriots met while a criminal, unjustified, illegal, and scandalous commercial embargo is being ruthlessly imposed upon the Republic of Haiti. A heart-rending show for the Haitian people.

On the one hand, Father Jean-Bertrand Aristide again violated the Constitution and, unreasonably sustained by the OAS, insisted upon a stiffening of the embargo against his people in order to enable his return to power in Haiti. Our senators and deputies, on the other hand, representatives of the national parliament, supported with dignity by a wounded population, insisted on the immediate abolition of this criminal embargo.

Will the OAS continue to listen to the voice of Father Aristide, or will it finally listen to the Haitian parliament, keeper of the nation's sovereignty, and acting freely? The stakes are extremely high for the Latin American Republic. We are asking the parliaments of all of our sister republics to carefully consider the Haiti-OAS conflict. We are asking them not to allow the historical bonds that link our people to be damaged by this conflict. We ask them to prompt the OAS to lift, without delay and without condition, this criminal embargo.

In a press release dated 6 November, PAIN called the embargo outrageous and unacceptable, condemned the belligerent attitude of the OAS, and accused the regional organization of going beyond its rights and prerogatives by obviously violating its charter. Now the die is cast. Our compatriots could not reach an agreement in Cartagena. The OAS has hung a calamity on us.

The curse, however, cannot be one-way. A curse is likely to hang upon each country that signed this unjustified, illegal, criminal embargo. Each hour that passes makes it more threatening. While awaiting the lifting of the embargo, the Haitian people are called to resist with dignity and the provisional government to act without hesitation in conformity with the constitutional provisions.

Hunger Strike Against OAS Embargo Continues

FL2611200091 Port-au-Prince Radio Soleil Network in Creole 1200 GMT 26 Nov 91

[Excerpts] Four young men, members of the Association of Young People's Power of Haiti [AJEPOPOA], began a hunger strike on 25 November on the premises of the OAS in Premiere Impasse Laveau to protest the embargo which the OAS has imposed against Haiti. One of the protestors, Jude L. Jean-Jacques, spokesman for AJEPOPOA, says that the OAS must accept responsibility

for the arbitrary decision against Haiti, adding that the strike will continue until the OAS lifts the imposed Haitian embargo. [passage omitted]

Laurent Paul Tardif, OAS representative to Haiti, said he was unaware of the hunger strike being conducted on the OAS premises and that the hunger strike begun by AJEPOPOA members yesterday will have no effect because the embargo was not imposed by the OAS alone, but by 34 member countries. [passage omitted]

No Immunity Guarantee to Embassy Occupiers

FL2611192891 Port-au-Prince Radio Nationale in Creole 1400 GMT 26 Nov 91

[Excerpt] The commander in chief of the Haitian Armed Forces, General Raoul Cedras, denies the AGENCE FRANCE PRESSE bulletin dated 24 November advising that he has reportedly given immunity to the 19 youths who stormed the Canadian Embassy and that they could leave that embassy without any problems. Gen. Cedras stated: I have never met any group of asylum seekers either directly or indirectly. Since 20 November, the climate of terror has increased. These 19 youths smashed the door that separated the room they occupied from the diplomats' lounge.

Despite these acts, Gen. Cedras says that the Army does not have the right to do anything if the ambassador does not make an official request duly drawn up by a notary public. He further states it is quite normal for the military to be present around the embassy in order to ensure the citizens' security in this area. The general acknowledges that he had a routine meeting with Canadian Ambassador Bernard Dussault who stated basically that he had received several guests in his embassy, but he later said that it was a group of terrorists. [passage omitted]

Jamaica

Illness Forces Prime Minister To Skip Summit

FL2711014891 Bridgetown CANA in English 2236 GMT 26 Nov 91

[Text] Kingston, Jamaica, Nov. 26, CANA—Jamaica Prime Minister Michael Manley will miss the meeting of non-aligned heads of government known as the group of 15 (G-15) scheduled for Caracas, Venezuela on Wednesday, because of illness.

Manley was scheduled to leave Kingston Tuesday afternoon for Caracas, but a Jamaica house release said he had contracted a cold over the weekend and had been advised by his doctors not to travel at this time. The release said, however, that depending on the advice of his doctors, the prime minister still hoped to represent Caribbean Community (Caricom) heads at the Rio Group of nations—involving leaders of South and Central American governments—in Cartagena, Columbia December 1 to 3. Foreign Minister David Coore is already in Caracas for the foreign affairs sessions of the G-15 summit.

The G-15 comprises Algeria, Argentina, Brazil, Egypt, Indonesia, India, Jamaica, Mexico, Malaysia, Peru, Nigeria, Senegal, Venezuela, Yugoslavia, and Zimbabwe. It was formed following a decision by the South Commission, and has as its main objective the formulation of a united position in negotiations with countries of the industrialised north.

The Rio Group, involving heads from South and Central America and Caricom, is informal and consultative in nature and addresses political and economic issues of common interest to the Hemisphere. This is the first time that Caricom will be involved in the Rio Group meeting.

A press conference which was scheduled by Manley Tuesday to disclose details of the two meetings was called off because of his illness. Manley underwent prostate surgery in August last year shortly after recovering from a severe bout of pneumonia.

St. Lucia

Country Divided on Asylum to Haitians

FL2711020591 Bridgetown CANA in English 1900 GMT 26 Nov 91

[Report by Peter Richards]

[Text] Castries, St. Lucia, Nov 26, CANA—A prominent lawyer here called on Monday night for a popular uprising in Haiti, amid indications that St. Lucians are passionately divided on the issue of St. Lucia granting temporary accommodation to Haitian refugees.

Lawyer Vernon Cooper said on a radio programme he was against St. Lucia allowing Haitians to come here in order to get away from the political turmoil at home. He also asked whether Haitians, by fleeing their country, were not allowing "dictatorship after dictatorship to overwhelm them and do nothing about it."

"Why do they not stay and fight...for their freedom if they love liberty and freedom so very much," Cooper, a former chairman of the public utilities commission said here. He said Haitians residing in the United States should seek assistance from the western countries, including members of the Organisation of American States, to launch an offensive against the military rulers in Port-au-Prince.

"I don't see of any other way of solving the Haitian problem but by the use of military force to overthrow the military regime," Cooper said.

Haitians have been fleeing their homeland by the boatloads after the country's first democratically-elected government of President Jean-Bertrand Aristide was overthrown by the military on September 30.

Cooper said St. Lucians who were talking about allowing the Haitians to be granted refugee status here, were not aware of the "enormity of the problem that they pose for themselves and for the rest of the country."

"Where are we going to get houses to put them...How do we know that we are not going to get a bunch of people infected with AIDS and other diseases," Cooper said. Cooper said he was certain 95 percent of St. Lucians supported his views on the matter.

During the 90-minute radio programme, many callers voiced their concerns about the matter, with the moderator, lawyer Mario Michel, at one stage indicating that the tone was somewhat anti-Haitian.

"They have other countries that want them, send them to these countries," said one caller, while another claimed that "Haitians running away would not solve the problem." One irate caller termed the United States decision to ask Caribbean countries to house the refugees as an importer with containers of chicken backs who was asking each Caribbean island to take one container.

"Bush should be in for manslaughter," said another in reference to the U.S. president's decision to return Haitians fleeing their country for what he termed economic reasons. An official of the national youth council repeated his organisation's view that St. Lucia should allow a number of Haitians to be granted temporary refugee status here. Roman Catholic Archbishop Kelvin Felix, on his return from a fact finding mission to Haiti, appealed to Caribbean states to assist the Haitians find new homes in the region.

There has been no comment from the St. Lucia Government on the matter.

El Salvador

FMLN Communique on Army's Military Plan

PA2611235691 (Clandestine) Radio Venceremos in Spanish to El Salvador 0000 GMT 26 Nov 91

[Communique issued by the general staff and forces of the Farabundo Marti National Liberation Front's, FMLN, National Army for Democracy, END, in El Salvador on 25 November]

[Text] Regarding the Gold Military Plan that the Salvadoran Armed Forces have implemented in several areas of the country, we state the following:

1. Throughout the conflict the Farabundo Marti National Liberation Front, FMLN, has established fair salary rates for coffee bean pickers who work on farms near and within territory under its control. The efforts of the Armed Forces to stop coffee growers from abiding by the salary rates established by our front have failed during every harvest since the measure was implemented.

2. The Gold Military Plan strives to use the unilateral truce decreed by the FMLN to continue military offensives in different areas of our national territory and to let landowners pay meager salaries to the coffee bean pickers.

3. Our units will maintain the suspension of offensive operations despite the enemy's provocations and plans. The government and the Armed Forces are responsible for every clash that has occurred since our unilateral truce went into effect.

4. We urge farm workers to continue their struggle for fair salaries during harvest time and we assure them that they are fully supported by our army.

[Signed] General Staff, National Army for Democracy
[Issued] El Salvador, 25 November 1991.

FMLN Demands Halt to 'Offensive Operations'

PA2711032291 San Salvador Radio Cadena YSU in Spanish 0100 GMT 27 Nov 91

[Communique issued by the Farabundo Marti National Liberation Front, FMLN, General Command in El Salvador on 26 November; read by Miguel Saenz Varela, a member of the FMLN Political-Diplomatic Commission—live]

[Text] Communique of the Farabundo Marti National Liberation Front, FMLN, General Command regarding the truce.

1. To date, the FMLN has fulfilled its commitment to maintain a truce. The FMLN has not staged attacks on positions or garrisons of the Armed Forces, ambushes, urban operations, or any kind of sabotage. The FMLN has maintained a careful position on the Armed Forces' offensive military operations to give time for reciprocal measures.

2. The Armed Forces and the government have responded with provocations, which are a grave threat to the truce. These provocations are:

A. Militarization of the capital and large-scale offensive military operations against two of the main historic rearguards of the FMLN: Guazapa and Morazan.

B. Establishment of permanent military positions in dozens of municipalities in which the Armed Forces had not maintained positions in recent years because they had been controlled by the FMLN. At the same time, the Armed Forces are conducting patrol operations in the areas of conflict for the purpose of provocation.

C. The implementation of the Gold Military Plan operation to protect the big landowners and to dislodge peasants who have resettled certain areas.

D. An attack, fortunately frustrated, against opposition leader Dr. Ruben Zamora a few hours after Colonel [Mauricio Ernesto] Vargas had announced to the press that such actions might occur.

E. President Cristiani's recent statements in San Miguel, which are a grave political and moral provocation against our military force. In his remarks, Cristiani stated that the Armed Forces will continue their operations throughout the country. He continued to describe our forces as terrorists and urged them to hide and avoid combat.

F. Militarization of job sites and the persecution of the leaders of labor and social movements by the intellegence forces of the Treasury Police headed by Colonel Roberto Pineda Guerra. This is linked to what the extreme right wing and the most recalcitrant sectors of the Army have described as the danger of the outbreak of peace.

3. The FMLN rejects Mr. Cristiani's argument that the Armed Forces' constitutional mission throughout the country justifies their offensive operations. The FMLN is not interested in dividing the country and in demanding its own territory. The FMLN is proposing the geographic separation of the military as a sensible measure to maintain the truce. On another issue, the Geneva and New York agreements show the government's recognition of a situation of internal division. Not recognizing this situation means to reject a negotiated solution and to want one side to be the military victor, something that is not realistic and that will never be accepted by the FMLN.

4. We reject the Armed Forces' desire to use the truce to force a cease-fire that will give them a military advantage. The FMLN does not accept any military position that the Armed Forces attempt to establish by taking advantage of the truce or the offensive operations which they conduct in the field.

5. The FMLN calls on all national forces and the international community to defend the truce by getting the government and the Armed Forces to change their position and halt all offensive operations. To save the truce, it is essential that the warmongering sectors of the Armed Forces and the civilian right wing be prevented from stopping the negotiations.

6. We are not going to hide, as Mr. Cristiani has suggested, or accept Col. Vargas' threats. We will not drop out of the negotiations. If the situation continues, we will assume our legitimate right to militarily defend the force that makes peace possible before the end of the year.

[Signed] FMLN General Command
[Issued] El Salvador, 26 November

END Command Communique Details Army Operations

PA2711005891 (Clandestine) Radio Farabundo Marti in Spanish to El Salvador 0000 GMT 25 Nov 91

[Report on communique issued by the Northern Morazan Command of the National Army for Democracy, END, in El Salvador on 23 November]

[Text] The Salvadoran Armed Forces began an operation on 17 August in northern Morazan Department with the Arce, Belloso, and Morazan Battalions. A month later, only the special Arce Battalion was left in Perquin and northern Morazan, with replacements coming in every 28 days. Since then that battalion has remained in the following positions: Pericon Mountain, Gigante Mountain, Perquin Mountain, Pueblo Viejo, Quesera, Travesia, and Sociedad. The battalion also has conducted combing operations with three or four companies toward San Fernando, El Muerto Plain, Cururo Mountain, Palacios Mountain, and Arambala.

The communique added that the soldiers stayed in those places every other day and then returned to the Perquin area. During this same period, the battalion's replacements came through one sector; the entire battalion entered or left through an area measuring 2 or 3 km wide, or left through Calle Negra, taking cover in the town of Segundo Monte, in Jocoaitique. Our forces inflicted heavy damage on the soldiers every time they expanded their area of operation. For that reason, the entire Arce Battalion remained concentrated in one area.

On 13 November the Farabundo Marti National Liberation Front [FMLN] announced a unilateral truce to contribute to peace. In that announcement, the FMLN pledged to stop all offensive operations. On 15 November the battalion located in Perquin began an operation until reaching Cururo Mountain, Palacios Mountain, Jocoaitique, and the Jocoaitique turnoff.

On 18 November the Arce Battalion was replaced by the Belloso Battallion. A Belloso Battalion unit entered through the Torola Bridge on its way to Perquin to replace the Arce Battalion positions. Another Belloso Battalion unit entered through Cacaopera, combing the El Zapotal, Agua Blanca, El Limon, Volcacillo, Joateca, Altisate, and Las Pilas areas until reaching an area near Perquin. This operation led to a clash with our forces that occurred after the Armed Forces accused the FMLN of not complying with its pledge. Taking advantage of the truce, the Belloso Battalion has greatly expanded its operations and now occupies twice as much territory as it held before the truce. An Army company is now holding a position that was once held by a unit. In addition, an Army section is occupying positions that were once held by a company and expanding patrol operations by a few more meters.

As a result of the expanded patrolling, some fighting with the National Army for Democracy [END] has taken place. Despite the provocations, the END has remained calm and has obeyed the FMLN General Command's orders not to break the truce. All of the above has demonstrated that the top command troops are doing everything in their power in Morazan to obtain military and political gains from the truce. The END communique added: We know that some Army chiefs and officers have interpreted the FMLN's unilateral truce not as something positive for the nation but as an FMLN weakness. The END asked them not to interpret the goodwill of the FMLN in a negative manner, the communique stated. Therefore, the END only wanted to inform the Morazan residents that if fighting takes place in the area and soldiers are killed or wounded, or if there are civilian victims, Colonel Leon Linares, commander of Military Detachment No. 4 and the Belloso Battalion in this area, alone is responsible. The communique added: the END in this zone is carefully observing the behavior of the soldiers and claims the right to take military action against those enemy units and commands that seek a military advantage in zones under FMLN control, taking advantage of the truce ordered by the FMLN, the communique noted.

The communique is signed by the Northern Morazan Department Command and dated 23 November.

Nicaragua

Pastoral Letter Includes Criticism of Government

PA2611201891

[Editorial Report] Managua LA PRENSA in Spanish on 24 November on page 2 carries the text of a 3,600-word pastoral letter issued by the Nicaraguan Episcopal Conference, CEN, in Managua on 24 November. The letter is divided into four segments: an introduction, two chapters—Chapter One on Nicaragua's "New Reality" and Chapter Two on "Pastoral Enlightenment on Nicaragua"—and a conclusion. It contains extensive portions with religious and doctrinal comments.

In a subdivision of Chapter One, the bishops address the topic of a "state of law." The pastoral letter states "...it is not enough to announce a state of law; such a state must

be made a reality. The fact that this has not been achieved is due in part to the lack of an executor branch to support and defend government decisions and enforce the laws of the republic.

"As a result, a government emerges that seems to be incapable of meting out justice. This impression increases when one sees that many crimes and terrorist attacks go unpunished.

"This situation appears even more deplorable when there is an attempt to disguise it as a desire for conciliation and peace. This is helped even less by the use of "for the sake of peace" as a pretext for legitimizing or legalizing abuses that have been committed.

"The state of law thus becomes a perpetual mockery that undermines the law itself and confidence in those who govern. It provides an abominable example for others, who might thus be drawn into corruption and lawbreaking."

In a section on corruption, the letter criticizes the practice of placing "private or unjust interests" above the common good. It states: "Such is the case of bribery at the various levels of public and private administration, the fraud of the 'privileged' who evade their fair contribution to the needs of the group, the undue use of public funds for personal enrichment, and insensitivity and hardness of heart in the face of the pain and poverty of others." The bishops add that unfortunately, some media are not helping to correct these situations, but instead are "promoting them with propaganda and the exaltation of violence and pornography."

On social peace, the letter says that "in the present circumstances, it is indispensable to achieve social peace as a first step toward development." On democracy, it says "there will be no true democracy if the people's interests are frustrated under the shelter of procedures that are apparently democratic, but that actually serve interests other than those of the people, or if the fruits of an open dialogue are annulled by private or secret arrangements."

On economic recovery, the bishops state that they are aware that the country's resources are limited, and this places those who are responsible for planning economic activity in a dilemma. The letter says: "We believe the current level of military expenditures is not justifiable in a country that has already been pacified internally and that has no conflicts with its neighbors. The military budget could be reduced in favor of productive investments to improve social programs or increase the wages of the most needy, or for the health and education sectors."

On government performance, the bishops describe as "positive" the government's effort to stabilize the economy to achieve a "more sustainable economic recovery over the medium term." They add, however, that it is necessary to avoid the dangers of an approach that is "excessively" based on economics. They say: "It is necessary to intensify efforts to achieve a more equitable distribution of social burdens and to provide aid and relief to the most vulnerable."

The bishops also call for a moral recovery and urge the media to contribute to this effort.

The pastoral letter is signed by Cardinal Miguel Obando y Bravo, archbishop of Managua and CEN vice president; Monsignor Leopoldo Brenes S., bishop elect of Matagalpa; Msgr. Julian Barni, bishop emeritus of Leon; Msgr. Leovigildo Lopez E., bishop of Granada; Msgr. Pablo Antonio Vega, bishop of Juigalpa; Msgr. Bosco Vivas Robelo, bishop of Leon and CEN president; Msgr. Juan Abelardo Mata G., bishop of Esteli; Msgr. Salvador Schaeffer, bishop of Bluefields; Msgr. Pablo Schmitz, auxiliary bishop of Bluefields; and Msgr. Pedro L. Vilchez, bishop of Jinotega.

Recontra Leaders Continue Harassment in North

PA2711020991 Managua Radio Sandino in Spanish 1200 GMT 26 Nov 91

[Text] Recontra leader Arnulfo Noguera—who is known as El Guapote and controls a group of 60 armed men—and his friend El Indomable [Jose Angel Moran Flores] are the two members of the former contras who are continuing harassment actions in the northern part of the country.

According to military sources in Jinotega, El Guapote is as dangerous as El Indomable. El Guapote has harassed Sandinist followers and burned their homes. He operates in the Quilali area.

According to recontra leader Bigote de Oro [not further identified], the general staff tried to no avail to persuade El Guapote to participate in peace talks. He now has been left on his own.

El Guapote's forces are larger than those of El Indomable. According to the military in Jinotega, every time El Indomable attacks an area, he runs to [words indistinct] for protection.

Argentina

Economy Minister Denies Attempt for IMF Waiver

PY2611211091 Buenos Aires TELAM in Spanish 1307 GMT 26 Nov 91

[Text] Buenos Aires, 26 Nov (TELAM)—Economy Minister Domingo Cavallo has emphasized that Argentina "did not ask for a waiver" [preceding word in English] (pardon) from the IMF, adding that IMF technicians approved the targets of the last trimester, which are described in the letter of intention that was submitted before his trip to Bangkok. The objective of the letter was to obtain a stand-by loan.

In connection with the members of the IMF mission who arrived in Argentina today, he added that "everyone knows that we will talk with them about the extended facility agreement for supporting a three-year program in which we have worked for several months."

Cavallo made these statements upon leaving the Olivos residence, where he and President Carlos Menem met with Sevel Argentina and Fiat Italia authorities.

* Cavallo Clashes With Provinces on Transfers

92SM0089A Buenos Aires AMBITO FINANCIERO in Spanish 30 Oct 91 p 10

[Article by Carlos Pagni; first paragraph is AMBITO FINANCIERO introduction]

[Text] The transfer of educational services to the provinces, which the government has ordered as of 1 January, continues to be the most controversial issue in the relationship between the central government and the interior. The governors object to Domingo Cavallo's plan; among their complaints is that it does not guarantee the funds for undertaking the new commitments. This week Congress is studying two bills designed to untangle the situation. One, sponsored by Senator Olijela Del Valle Rivas, calls for bilateral agreements between the central government and each jurisdiction. But the one that is most appealing to Economy was drafted by Oscar Lamberto of the Chamber of Deputies. His initiative provides that when the transferred revenue sharing funds are insufficient, the Treasury would make up the difference. It also deals with the social security question, one of the most frightening issues for the governors who are resisting the transfer. A bargain will have to be struck with the opposition for this bill, but the Radicals would like a more general measure covering all of education, which would be more cumbersome. The reader will find below an analysis of all the different positions on the matter.

Both the Justicialists and the Radical opposition foresee a legislative solution to the controversial issue of transferring educational services. While Justicialist Oscar Lamberto is studying a law that would guarantee financing specifically for the benefits transferred to the provinces, Senator Olijela Del Valle Rivas (PJ-Tucuman) has already submitted a bill that will be dealt with imminently. Meanwhile, the Radical Civic Union (UCR), whose main spokesman on this issue has been Eduardo Angeloz, advocates including the matter in a broader (and more time-consuming) package on education in general.

As is well known, Domingo Cavallo included in Articles 27 and 28 of the Budget Law the federalization of almost the entire national education system as of 1 January of next year.

The debate is focusing on the financing that the provinces will receive for providing these services. **The economy minister maintains that with the increased revenues from taxes subject to revenue sharing, the demand will be met.** Nevertheless, a chorus of objections to Cavallo's measure has come from the provinces. The most significant of their objections are the following:

- That although national services are to be transferred, the funding available to provide those services will continue to come from the provinces (like the taxes subject to revenue sharing).

That the provincial administrations will be unable to provide comparable salaries to the personnel transferred to their jurisdiction. It should be noted that national salaries are the lowest in all cases. Whereas a national teacher earns a basic salary of 800,000 australes, La Rioja has a minimum salary of 1.2 million australes, just to cite one example.

Retirement

- That comparable figures cannot be guaranteed, either, for retirement pensions or for tranferring money from national funds to the provincial social security system. The majority of the provincial economy ministers fear that in a few years, the funds will have to keep paying currently set retirement pensions to a much larger number of employees, many of whom made minimum contributions.

That the equalization of pay scales will create very difficult problems, as identical functions are not always perceived the same way at the national level and in the provinces.

That it will be difficult to guarantee the subsidy for private education, which is also to be transferred. In many cases that benefit is paid according to the number of hours taught, while the national government gives general subsidies.

The hottest moment of the controversy came when Cavallo and the governor of Cordoba, principal spokesman for the provincial opposition, exchanged requests. However, that province has already incorporated into its budget the payments for the new services. This apparently does not mean that the inland Radicals are any less resistant. Yesterday, in a conversation with

this newspaper, provincial Economy Minister Jorge Caminotti explained that "to resolve the issue, there should be a special law guaranteeing in detail every aspect of the transfer."

Caminotti's opinion is shared by Cesar Jaroslavsky, who feels that **"there should be a general education law that will include the transfer of services as one aspect."**

The Radicals, aside from their resistance, are confident that other provinces, such as Buenos Aires and Mendoza, will be equally reluctant to go along with Cavallo's plans. Caminotti reported yesterday that he had told the chief of the economy that **"we will make every effort to make sure you can join the Brady Plan, but not to the point of sacrificing our administrations."** Of course, no one wants to repeat the memorable **"Massaccesi experience."**

The UCR of the capital has also kicked up a fuss, through Delarruist Jose Maria Garcia Arecha. After examining the funds corresponding to the city, the newly elected councilman declared that **"the municipality will have a deficit of $123 million, which will force Carlos Grosso to raise taxes."**

Heeding these provincial complaints, the chairman of the Budget and Finance Committee, Deputy Oscar Lamberto, has begun to put together a bill that will ensure that the national government will guarantee the services should revenue sharing be insufficient.

But the members of the ruling party in the Senate expect to be able to beat Lamberto to the solution. This week senators will begin considering the bill on the transfer of educational services that Tucuman Senator Olijela del Valle Rivas submitted on 4 October.

This senator's bill provides, among other things, that the transfer should take place by means of individual financing agreements between each jurisdiction and the central government. These agreements may establish an increase in the amount of funds transferred to cover additional costs. Moreover, Article 17 of that bill states that when the increase in costs is higher than the amount of funds received, **"the national executive branch shall finance the respective difference, which shall be paid monthly to the corresponding jurisdiction."**

According to reports circulating yesterday in the Senate, Del Valle Rivas' initiative will be dealt with as soon as the legislator returns to the Senate (yesterday she was in her home province celebrating the inauguration of "Palito" Ortega). The bill is part of a package that includes an education bill sponsored by Jose Romero Feris and a university bill drafted by the Radicals.

* Somisa Experience Leads to New Layoff Policy

92SM0089B Buenos Aires AMBITO FINANCIERO in Spanish 29 Oct 91 p 5

[Article by Guillermo Kohan; first paragraph is AMBITO FINANCIERO introduction]

[Text] The government will make no more drastic personnel cuts in public enterprises that are about to be privatized. This is the most important effect of the experience of the Argentine Iron and Steel Joint Association (Somisa), and it is considered wiser to return to the Dromi method that was used at the National Telecommunications Enterprise (Entel) and Argentine Airlines. In those cases, the private firms agreed to negotiate the adjustments with the personnel. This once again takes power away from Cavallo in the area of privatizations. There is some relief for Economy, however, because it is argued that after the Somisa conflict has been resolved (at a much higher cost in severance pay than that normally disbursed by private companies), salary discussions will begin to be oriented toward a general theory that pay increases should be a function of the company's productivity.

The first repercussions of the Somisa case can already be seen clearly. Perhaps the most important one is the fact that the government has decided to return to the Dromi-Estenssoro method of privatizing. The idea is that in future operations, it will be the private sector that takes charge of negotiating personnel cutbacks when it takes over public enterprises. It is felt that this solution worked best in the cases of Entel and the national airline. Meanwhile, the public sector is looking on with approval as Marshal Jose Estenssoro wrestles with Diego Ibanez's United Trade Union of State Petroleum Workers (SUPE) in the Government Oil Deposits (YPF).

The other interesting effect is that the government is willing to concede whatever is necessary in the plan to compensate personnel laid off from the state iron and steel enterprise (without yielding on the cutbacks), because it is felt that once the social conflict over the rationalization of Somisa subsides, there will be a gradual process of agreement in the wage negotiations that are going on in the private sector.

In this regard, the collective bargaining experts who advise Minister Rodolfo Diaz predict that after the agreement is reached with the Metalworkers Union (UOM) over Somisa, agreements will be signed with a variety of unions. As of yesterday, the threats continued in Armando Cavalieri's merchant union. Practically all unions are now demanding pay raises of 18 percent, ignoring the government's recommendation that adjustments be linked exclusively to productivity. Apparently the solution will involve general agreements that will prevail for the contract along the lines desired by the government—that is, very low adjustments for the next six months—but at the same time it will be possible for the companies to enter into individual agreements with their employees, which may be approved by the Labor Ministry.

As for the negotiations with the UOM, it is known that Rodolfo Diaz's ministry will finally submit a flexible interpretation of the controversial salary decision, which businessmen say means that no negotiations will open until March 1992. In this case, it was reported, Labor

will allow in its new ruling the possibility of reopening the discussion, still following the productivity guidelines.

Zero Increase

As for the state enterprises, Minister Cavallo's directive was that no company may exceed the limits of the current wage bill. That is, there can be redistributions, but the total amount of salaries paid cannot increase. In addition, it was established that no public enterprise that is in the red can expand, which means that the increase in the state sector is virtually zero.

The government is bound and determined to avoid gratuitous political costs in the adjustments of enterprises that will later be privatized. Officials are questioning, for example, whether the entire country should ultimately have to underwrite severance pay costs that are much higher than those prevailing in private industry, to allow for payroll cutbacks in companies such as Somisa that are being privatized.

The ministers of defense and labor are in basic agreement on this idea, and they have been successful in convincing President Menem that this is the right strategy. The idea clearly clashes with the scheme that Minister Cavallo had been advocating until now, which is another cause of estrangement in the relationship between the chief of state and his virtual prime minister. Furthermore, there are technical aspects that validate the Dromi method of privatizing, suggesting that it is the most appropriate one for solving the problems of the privileges the unions still enjoy in public enterprises such as State Gas, Sanitation Projects, and Greater Buenos Aires Electrical Services (SEGBA). The only way to change those agreements is to change the nature of the bargaining parties. Once these firms are privatized, the negotiations will become a discussion between private parties, as is now the case with the telephone companies and the new owners of Argentine Airlines. It is known, moreover, that the union leaders themselves are resigned to operating within this framework, and firms such as YPF and the Argentine Shipping Lines (ELMA) have faced the prospect of personnel cutbacks in privatization processes with much less conflict that in the Somisa case.

Brazil

Civil Service Wages, Christmas Bonus Guaranteed

PY2211163891 Brasilia Radio Nacional da Amazonia Network in Portuguese 0900 GMT 22 Nov 91

[Text] The government has asserted it will pay public servants their Christmas bonus and salaries for November and December.

Federal Revenues Secretary Roberto Guimaraes has made a point of reassuring federal public servants by asserting that the government is going to pay the year-end salaries. According to Guimaraes, the National Treasury has 1.1 trillion cruzeiros to pay the public servants' salaries.

[Begin Guimaraes recording] The National Treasury's cash flow for November and December has contemplated the payment of November and December salaries, as well as the Christmas bonus that will be distributed in early December. [end recording]

However, Guimaraes admitted that some federal and autonomous state organizations have no money to pay November and December salaries. To solve this problem, the government has already decided to submit to Congress a draft bill requesting additional funds for enterprises such as EMBRAPA [Brazilian Agriculture and Livestock Research Enterprise] and SERPRO [Federal Data Processing Service]. The draft bill still has not been submitted to Congress, which will go into recess in less than 20 days.

Natural Gas, Pipeline Accord With Bolivia

PY2611200291 Brasilia Radio Nacional da Amazonia Network in Portuguese 0900 GMT 26 Nov 91

[Text] Brazil will purchase natural gas from Bolivia. Sao Paulo and Minas Gerais will be the first states to benefit.

The Brazilian and Bolivian Governments have begun negotiations in La Paz. Petrobras [Brazilian Petroleum Corporation] executives and a group of private businessmen are representing Brazil. The project contemplates the construction of a thermoelectric plant and a gas pipeline that will be 573 km in Bolivian territory and cost $600 million. On the Brazilian side, the government will build a 2,000-km gas pipeline connecting the Bolivian town of Puerto Suarez to the states of Sao Paulo and Minas Gerais. The construction of this pipeline is valued at $1.8 billion.

Bolivia will receive $120 million per year for the gas. The project will be financed by the Japanese Eximbank [Export-Import Bank], the Word Bank, and the Inter-American Development Bank.

* Informatics Firms Seek Out Foreign Partners

92SM0094A Sao Paulo EXAME in Portuguese 2 Oct 91 pp 60-63

[Text] A good many of the largest Brazilian firms in the informatics sector seem to have reached the same conclusion: by themselves, they will not achieve a place in the sun after the umbrella of the market reserve is taken away from them next October. Without the companionship of a foreign partner who owns sophisticated technology and has experience in the fiercely competitive world informatics market, Brazilian firms could simply disappear, or else be left with only an insignificant role in the market. "Anyone who is not looking abroad for partners is out of his mind," said Felipe Gomez Perez, president of Monydata Teleinformatica, which concluded a technology transfer agreement with the U.S. firm of NCR last April. At least six large Brazilian manufacturers of computer equipment have now

announced several kinds of association with multinationals in the field. The partnerships involve aspects ranging from technology transfer and licensing for equipment manufacture or assembly, as in the case of Edisa and Hewlett-Packard, to the formation of joint ventures, such as concluded by the Japanese firm of NEC and the Brazilian Scopus, or by Sid with IBM. In all these cases there is but one objective: survive the initial impact of the end of the market reserve.

"Partnerships are fundamental during this phase of transition from a closed market to an open one," said Jose de Miranda Dias, president of Elebra Informatica. Elebra is one of the firms that has signed the most accords with foreign manufacturers recently—five since November 1990, all involving transfers of technology. "We adopted a policy of looking for partners to work the same market niches that Elebra has already carved out," Dias said. The company's most daring move was made in July of this year, when it signed an agreement with a U.S. company, Digital. The American firm acquired a 30 percent interest in Elebra, which has now begun making the Vax family of computers, the same ones the U.S. firm sells on the world market.

Marriages of Convenience
Types of Association and Purposes of Agreements Signed Between Brazilian and Foreign Firms in the Informatics Industry

Partnership	Type of Association	Objectives
Scopus/NEC	Joint venture	Manufacture of portable microcomputers (notebooks), diskless network stations, and monitors
Cobra/IBM	Technological cooperation	Production of programs and computers using IBM technology
Sid/IBM	Joint venture	Manufacture of the PS/2 line of microcomputers created by IBM
Monydata/NCR	Technology transfer	Production of tabletop microcomputers, portables, and "notepads"
Edisa/HP	Technology transfer	Production of Winchester disks, microcomputers, and financial calculators
Elebra/Digital	Joint venture	Manufacture of Vax computers

Modernity

Interest in signing agreements and entering into associations is not coming only from the Brazilian side. Foreign manufacturers know that although the market reserve formally ends in October 1992, incentives for local companies will continue to exist—and these will also benefit whoever is associated with them. Another factor being taken into account is that domestic firms have been established in this market for several years now and so already have the infrastructure needed to distribute their products in Brazil. "The multinationals know how hard it is to set up and maintain a sales network in a country as big as Brazil," said Perez.

Those circumstances work in favor of associations, but the truth is that it has not been that easy, even for the big manufacturers, to finalize such agreements. It took almost two years for Scopus, a firm associated with Digilab—part of the Bradesco group—to finally sign an accord this past April with the NEC Corporation, leader in computer sales in Japan, where it controls almost 49 percent of the market. Finally, a joint venture was signed that also involves Globopar, the holding company of Organizations Globo. "This agreement is important to the Brazilian economy since it is the first that actually represents an inflow of foreign funds into the informatics area," noted Wilson Ruggiero, Scopus's director of development. NEC, which was already a partner of Globopar in the telecommunications field, also had an agreement with Digilab under which the latter would make printers—but even so, the joint venture took a long time to set up. "When you enter into an agreement between companies from cultures as different as those of Brazil and Japan, mutual trust between the partners weighs heavily in the decision," said Toshio Saito, director of planning for NEC of Brazil.

The first phase of NEC's agreement with Scopus and Globopar calls for import of 500 different items of equipment, including microcomputers, workstations, and video monitors. In the second phase, implementation of which begins in November, equipment components will be imported for assembly in Brazil. Only after October 1992 will local manufacture of equipment begin. "That part of the arrangement will depend on what the Brazilian market is like next year," says Saito. Strictly speaking, therefore, the joint venture formed by the Brazilian firms and NEC is only intended to sell imported products, until demand justifies production in Brazil. At any rate, the accord will bring with it $20 million in investment, to be apportioned among the three partners during the next two years. "We are going to place on the Brazilian market the most modern equipment that exists in the United States and in Japan," Saito says. "We will introduce products practically simultaneously in all three markets."

The presence of more sophisticated equipment in the stores will be the first significant impact of the end of the

market reserve that the Brazilian consumer will feel. Actually, some of this impact is already being felt, because of the relaxation of restrictions on imports of informatics materials. "There will be a lot of good stuff for sale, but also a lot of junk," says Monydata's Perez. "I think this opening-up will dispel the myth that everything that comes from abroad is good." He believes that after the reserve ends, the consumer will have to be much more selective in purchasing equipment. "With so many choices, the customer will have to know exactly what he wants." It is precisely because there are not many options now that some people are predicting a veritable avalanche of imports. "That will happen only at first," said Flavio Sehn, president of Edisa Informatica, which is part of the Rio Grande do Sul-based Iochpe group. "Then the market will become more selective."

Edisa, rated in a survey conducted by EXAME INFORMATICA as the best company in the sector in 1990, concluded an agreement with Hewlett-Packard in April of this year covering the production of printers, latest-generation microcomputers, and palmtops—microcomputers the size of a pocket appointment book. HP will not hold a direct interest in Edisa, but will be entitled to 50 percent of the profits of El Industria e Comercio, a company formed under the agreement and controlled by Edisa. Since 1986 HP has had an agreement with Edisa for production of calculators, but the existence of that partnership did not facilitate the agreement in the area of microcomputers. "Closing an agreement like this one is not easy," said Sehn. "Your partner has to know you well, because he needs to know what is going to happen to the technology he offers."

Preferred System

This is why the companies that are finding it easier to conclude technology transfer agreements or joint ventures are the ones that, in some way, have tried to develop their own products and invest to at least a minimum extent in research and in qualified personnel. Those who limit themselves to importing components and assembling microcomputers and other equipment are likely to experience more difficulties. Tough luck—associations are likely to become increasingly important in the life of Brazilian firms. "Those who fail to work out a partnership risk being swallowed up by the competition," says Rui Campos, vice president of Microtec. His company is now negotiating an association with a foreign manufacturer, and Campos is convinced he needs that partnership in order to hold onto or expand his market share. "One needs an alliance with a strong, internationally known brand," he said. "Working by itself, a domestic company would have to carve out a specific niche in the market, and even so, would have to be content with a smaller share than it has now."

In some cases, partnership with multinationals is causing the Brazilian manufacturer to change even its marketing structure. That is what is happening with Scopus. Until now, it was the only informatics company that, in addition to making the equipment, had a controlling interest in the 12 dealers and 25 technical assistance centers scattered around the country. All the others work only with authorized dealers, something like the auto industry does. Now that Scopus network is being quickly sold off to the sales managers at those branches. "Now that we have this agreement, we will have to enlarge the sales structure," said Saito, of NEC. He believes that the reorientation of Scopus's product profile to put greater emphasis on smaller equipment will make it possible to increase sales. The goal is to achieve a 20 percent share of the market within two years. At present Scopus has only a 6 percent share, although in 1985 it was the biggest company in the microcomputer field, accounting for 25 percent of sales.

IBM, a veteran of the large-size equipment market in Brazil and the rest of the world, also opted for the partnership mode in doing business in this country. Big Blue allied itself with Sid Informatica to set up MC&A. The new company will produce a new line of small computers—the PS/2, successor to the PC. Through its partnership with Sid, the American company will be able to take advantage of the commercial and industrial structure that its Brazilian partner has already developed. That same kind of attraction, incidentally, led IBM to associate with another firm, Itautec, in order to produce intermediate-size systems.

The domestic manufacturer is principally interested in its foreign partner's technology. Even Cobra, a state enterprise created by the government in 1974 to build computers, is following the route taken by the private domestic companies. Having associated with the American firm Corollary, Cobra has been able to bring products into Brazil that are in line with those being introduced internationally. That was the case with its MP 486, a microcomputer that was introduced in the United States early this year. Cobra's president, Guilherme Ramos de Oliveira, believes that the end of the market reserve will turn out to have benefits for the state corporation. "We have our plants all set up, a good distribution network, and we know the Brazilian market well," he said.

To some manufacturers, the partnerships are not exactly anything new. As early as 1987, when no one was talking much about associations and the rules governing the formation of joint ventures were practically prohibitive, Scopus itself signed a contract with Burroughs, now known as Unisys, to make video terminals. Unisys really does have experience with partnerships in Brazil. For five years now it has had an agreement with Jabour Informatica, of Rio de Janeiro, to develop application programs for its computers. Jabour is responsible for developing and installing the software, while Unisys takes care of the marketing and promoting its products with its customers. "We are interested in new partnerships, mainly in the software field, where the Brazilian contribution will be vital," said George Herz, the multinational's director of foreign relations.

Life Preserver

Unisys's interest in arranging partnerships with Brazilian software companies has a simple explanation. Since the domestic firms are more familiar with the peculiarities of the local market, they are better prepared to find the best solutions for their customers' problems. Production of software could, therefore, turn out to be a life preserver for many companies that cannot find partnerships that enable them to compete on the equipment market. "The market will not be big enough for everyone," says Jose Fernandes Pauletti, of Elebra. "It is a good thing that some companies are beginning to think about possibly retiring from competition in the equipment market, in order to work in the software sector.

Tougher competition in the informatics market comes at a time when the sector has seen production drop by 7 percent and dollar sales fall by 20 percent—this is what happened last year. From the point of view of the manufacturers, now is certainly not the best time to bring a deluge of new products onto the market. But the companies that are teaming up with foreign partners see the difficulties as temporary. "The prospects for the Brazilian market are good," said Campos, of Microtec. He believes the industry is in a position to move resources on the order of 3 percent of the GDP, as is happening now in Spain and in Mexico. In the Brazilian case, that would mean a market worth approximately $9 billion a year—almost $2 billion more than in 1990. "If the economy starts growing again, the potential offered by the Brazilian market could go even higher," Campos believes.

The multinationals know this and are taking care to establish a presence in this country by concluding agreements that enable them to present their own brand names instead of those of their Brazilian partners. This is what is being done with the new HP equipment that will be produced by Edisa. Thus, Brazilian companies that are entering into joint ventures in order to introduce new brand names could become increasingly dependent on their international partner to furnish the technology. This is a risky strategy, but Brazilian manufacturers do not seem to have an alternative. In another time and a different situation, Japanese manufacturers avoided deals that seemed fabulous but which would have required them to adopt different brand names. In 1955, for example, Akio Morita, president of Sony, refused an order from the American firm of Bulova, then one of the market leaders in electronic goods. Bulova placed an order with Morita for 100,000 units of the first transistor radio, which Sony had just invented. The purchase would have been equivalent to ten times Sony's annual output of radios at the time. However, Morita turned down the deal when Bulova laid a condition on the table—that it would sell the products under its own name. Morita knew that what matters most to consumers is the brand name. Today Sony sells all kinds of things on the American market. And Bulova no longer exists.

Postal Technology Accord Signed With Cuba

PY2611152891 Brasilia Radio Nacional da Amazonia Network in Portuguese 0900 GMT 26 Nov 91

[Text] The Brazilian Postal and Telegraph Company, ECT, has signed an agreement for the exchange of mail technology with the Cuban mail, press, and telegraph enterprise. The agreement was signed in Brasilia by ECT President Jose Carlos Rocha Lima and by Cuban Post Office Director Manuel Pena Suarez. Bilateral cooperation between the two countries will initially last five years.

Chile

Minister on Relations With Soviet Republics

PY2611210691 Santiago EL MERCURIO in Spanish 21 Nov 91 p A11

[Excerpts] The Chilean Government and the Soviet Embassy in our country agreed on 20 November that the return of Eduard Shevardnadze as foreign minister in Moscow is an event that must be valued.

In this respect, Acting Foreign Minister Edmundo Vargas has indicated that naming Shevardnadze is a very positive step regarding the democratic process and the economic modernization being implemented in the Soviet Union, and of course at the level of bilateral relations.

Vargas met with Soviet Charge d'Affaires Igor Ribalkin, and the first secretary of the Soviet Embassy, Sergei Akopov [names as published] on 20 November. [passage omitted]

The acting foreign minister stated that the naming of Shevardnadze is positive because he has demonstrated that he is a democrat with recognized international experience, and because he is a man who is willing to give the best of himself in the process of implementing democracy in the UES [Union of Sovereign States].

He maintained that the process of effective transformations in that country obliges the international community, and in this case Chile, to revise its relations with that nation.

"Very effective transformations are being carried out which we must evaluate, because the relations will be with the Union, but we are also going to have relations with Russia, the Ukraine, Armenia, and the other republics that are going to have the capability of maintaining a certain type of foreign relations, a much larger capability than either California or New York could have. But at the same time, they are not fully autonomous. This is something without precedent," Vargas explained.

Asked about the naming of ambassadors, he indicated that it is a matter that has to be evaluated and consultations must be made with other countries. "We know that Germany and the United Kingdom are considering the

naming of a joint representative to some of the republics that formed the former Soviet Union. All this is new, there has been a change, and one cannot say at this time what we are going to do because it implies a process of evaluation, and then a process of decisionmaking according to what they themselves indicate," he said.

Vargas noted that Ambassador Clodomiro Almeyda will continue to be Chile's representative in Moscow.

Aylwin Opens Socialist International Council

PY2611203891 Santiago Radio Chilena Network in Spanish 1600 GMT 26 Nov 91

[Text] President Patricio Aylwin has reiterated that his government is not merely a transition government but also a government of democratic consolidation. The president made these remarks during a speech he made to open the council session of the Socialist International at the Foreign Ministry's Honor Hall. Aylwin said that the presence of a socialist force in a government of transition to democracy—as is the case in our country—is unheard of. We do not see the present government coalition as a mere parenthesis between an authoritarian and a democratic regime, the president stressed.

Aylwin said that the government coalition represents different types of humanism aimed at building a solid democracy in Chile. We are not simply talking about a transition government but a government of democratic consolidation, Aylwin stressed.

The president emphasized the role of democratic socialism in our country.

[Begin recording] Socialist contributions have enriched the diversified and pluralist political system that for decades has characterized Chilean society. The Socialist Party—together with other democratic parties—has worked to solidify common principles and values that are deeply embedded in the civic soul of Chileans. These values have allowed us to peacefully overcome the painful authoritarian experience and at present inspires our best efforts to consolidate our democracy. [end recording]

The president emphasized the presence of the Radical Party, which is a member of the Socialist International, in the council. Participating in the council meeting in Chile are representatives of 90 political parties from around the world.

Colombia

Government-Guerrilla Dialogue Suffers Setback

PA2611223991 Santa Fe de Bogota Inravision Television Cadena 1 in Spanish 0000 GMT 26 Nov 91

[Text] The dialogue between the government and the guerrillas has suffered another setback. Defense Minister Rafael Pardo strongly criticized the latest actions of the Simon Bolivar National Guerrilla Coordinating Board [CNGSB], including the trip to Central America taken by its negotiators. Pardo also cast doubt over the peace intentions of the FARC [Revolutionary Armed Forces of Colombia] and the ELN [National Liberation Army].

The dialogue between the government and guerrillas is like a flower that woke up with three new thorns that emerged for two reasons: the statements made by the defense minister in Florencia and the CNGSB's latest political-military actions.

The first thorn appeared when the guerrilla negotiators began seeking international support. They toured Central America and chose three key countries that would support their objectives. They chose Costa Rica and met with Oscar Arias, a nobel peace prize winner, and they also chose Cuba and Nicaragua, where revolutionary groups have had government support. Defense Minister Pardo criticized this action, saying that the guerrillas are trying to revive themselves because they have lost all their political support in Colombia.

The second thorn emerged because the military officers no longer believe in the CNGSB's commitment to peace. Pardo says the talks are just a military strategy of the FARC and the ELN, who only want a break in their fight against the government. That is why he has demanded the suspension of attacks, even those against the military. The guerrillas responded early this morning by attacking areas of La Guajira; Medina, Cundinamarca; and Llondo, Antioquia, where nine soldiers and a nurse were killed.

The other thorn appeared because the Army found FARC elements watching over cocaine laboratories and charging a tax to protect poppy plantations.

All of these actions and reactions by the government and the CNGSB have a common goal: to pave the way to attain political or military gains that can give them an edge at the negotiating table before 2 February 1992, when the dialogue resumes.

Vergara Battalion Soldiers Contract Cholera

PA2611224991 Santa Fe de Bogota Inravision Television Cadena 1 in Spanish 0000 GMT 26 Nov 91

[Report by Jorge Cura]

[Text] More than 100 Vergara Battalion soldiers stationed near Barranquilla have caught cholera. On 25 November the health authorities in Atlantico Department asked the Defense Ministry, which was planning to send the soldiers to barracks in different parts of the country, to keep them in Barranquilla until they are cured.

A total of 121 cases of cholera were officially confirmed in the Vergara y Velasco Battalion stationed in Malambo Municipality, only 10 minutes from downtown Barranquilla. Other unconfirmed cases in Guajira and Cesar Departments could increase that figure.

Atlantico Department health authorities said that sanitary procedures that would prevent cholera are not observed by the battalion. Health conditions regarding the feeding and housing of soldiers are inappropriate. In addition, the personal habits of the adversely affected individuals are not sanitary, either. They defecate outside and bathe and wash their clothes in a nearby lake. Food preparation practices on the base are extremely poor.

In addition, the battalion is very close to the Mesolandia Swamp, where the stagnant water can easily spread the disease; the soldiers bathe in this water. Even worse, they use the swamp water to prepare their food.

Peru

Dircote Breaks Up Shining Path Hit Squads

PY2611235091 Lima LA REPUBLICA in Spanish 17 Nov 91 Sunday Supplement pp 12-15

[By LA REPUBLICA Investigative Unit]

[Text] Two important Shining Path "hit squads" that have been operating in Lima have been dismantled by the Technical Police over the past 30 days.

A detention has frustrated several assassination plans made against politicians and members of the security forces who performed in the emergency zones or had direct action in the antisubversive struggle.

But the most important discovery was that the detainees were carrying documents in which they described, with shivering precision, the manner in which they plan their actions.

The following report includes details of the entire process that leads to the "selective annihilation," and consequently, the measures that must be taken to know whether one is being followed or will be the object of an attack.

According to Shining Path, the "selective annihilation," which is nothing but the cowardly murder of an individual who is only opposed to subversion, is a military action with a political goal.

The subversives carry out their so-called "popular war" through "campaigns," in which the targets of the "selective" attacks vary according to the outlined objective.

In August 1989, the pro-Maoist organization launched their "fifth great plan to establish bases designed to conquer the power." The plan was implemented during their two "campaigns." The first began in August 1989 and ended in February 1990; the second began in March 1990 and ended in April 1991; and the third began in April 1991 and is about to end, because it is going through the period known as the "finishing touch."

The "selective annihilations" conducted during the "second campaign" were designed to frustrate the general elections, and especially to attack the authorities in order to "undermine the government, and thus create a political vaccum so that power can be transferred into the hands of subversion."

The current "third campaign" is basically aimed at attacking the security forces' high commands which have been involved in the antiterrorist struggle, to "disrupt their morale." These attacks are unleashed against "the Navy, with which we maintain a blood debt," and against "the most recalcitrant reactionaries" whose interests are in jeopardy, including union leaders, popular leaders, and representatives of private- and church-sponsored assistance organizations, as well as businessmen of enterprises whose infiltrated labor unions are in conflict with the owners.

The following are among the casualties of the "third campaign:" Juana Lopez Leon, leader of the popular soup kitchens in the Nestor Gambetta shantytown in Callao. She was killed on 31 August 1991; Admiral Jore Novoa Altamirano, who was murdered by the Shining Path terrorists on 1 September 1991 on charges of having worked for the Intelligence Service, a fact that was denied by this institution; Mayor Carlos Landauro Suarez of the National Police, who fought against drug trafficking and the Shining Path in the Upper Huallaga—he was murdered on 14 November 1991; Commander Artemio Collado Gomez of the Peruvian Army, murdered on 4 October 1991; and General Julio Nino Rios of the Security Police, murdered on 17 October 1991.

An almost similar method that is described in this report was used to kill these people.

The method was changed according to the characteristics of the target and the area where the action was perpetrated.

A Shining Path organization known as the "Lima Metropolitan Committee" operates in Lima and is divided into six "zone committees:" the north, center, east, west, south, and Chosica zones.

The northern zone committee, which includes Carabayllo, Independencia, Comas, San Martin de Porras, and Los Olivos Districts, has two hit squads; the eastern zone committee, comprising El Agustino, Ate-Vitarte, and San Juan de Lurigancho Districts, and the southern zone committee, comprising Villa Maria del Triunfo, Villa El Salvador, and San Juan de Miraflores Districts, have one hit squad each. On 9 October 1991, the Dircote [Counterterrorism Division] Special Detectives Brigade raided a house on La Paz Avenue in La Perla neighborhood and arrested five members of one of the hit squads of the "northern zone committee." They were involved in the murder of former Labor Minister Orestes Rodriguez Campos, Juana Lopez, and Commander Collado Gomez.

The detainees are Jaime Garcia Lama, 23, alias Comrade Boris, who is the leader of the group; Carlos Tapia Lopez, 21, alias Oscar; Victor Olivo Pena, 27, alias Lucho; Karnett Ansualdo Castro, 21, alias Daniel, and Ana Castillo Villanueva, 23, alias Rosario. The dismantling of this group was reported previously.

On 26 October, the following members of a hit squad belonging to the northern zone committee were arrested: Amadeo Falcon Albino, 24, alias Comrade Manuel, who is the "political commando" unit leader; Guillermo Lazaro Rojas, 25, alias Pedro; Jesus Julcarima Antonio, 35, alias Jorge; and German Orozco Castaneda, 23, alias Ergo.

The police have not yet issued a report on the actions of this group, except for the attack on the synagogue at the intersection of Brazil and Bolivar Avenues.

The two groups were in the possession of important documents that helped to clarify the way they organize in order to perpetrate their terrorist actions.

For example, the hit squad led by Comrade Manuel was ready to murder Army Commander Julio Acevedo Molina, who carried out operations in the Ayacucho emergency zone, but the attack was thwarted by Dircote personnel who arrested the group leader.

A looseleaf notebook in which Comrade Manuel outlined the annihilation plan against Acevedo Molina was among the documents seized by Dircote. It has been learned that a "selective annihilation" is led by two commandos:

a. The "leading commando," made up of the "political commando," the "military commando"—which is also in charge of the "attack commando"—and the "contention commando," which is charged with the "support command."

b. The "attack commando" includes the "contention group," made up of three Shining Path terrorists; the "attack group," made up of two terrorists, and the "support group," which includes one driver and the courier or "chasqui."

A total of seven terrorists are directly involved in the actions.

According to the statements by the arrested hit squad members, "the party is in charge of providing the plan" for the selective murders, as well as weapons, and a car to transport the criminals.

An annihilation plan usually has the following characteristics:

I. Type of action: selective annihilation or "burro."

II. Annihilation group: EGP [Popular Guerrilla Army]
* Leading group (three members)
* Organization group (seven members)

III. Arrangement for the action:

a. Acknowledgement:
* Objective (person elected for the target)
* Characteristics of the zone (where the crime will be perpetrated)
* Masses (population of the area of action)
* Reaction (security forces in the area)

b. Personnel and material (needed to perpetrate the crime)

c. Development of the action:
* Deployment (of the group toward the area of action)
* Initiation (location of the attackers)
* Development (of the attack as soon as the target is spotted)
* Withdrawal (as soon as the crime is perpetrated)
* Modification of the action (measures that are adopted in case of unexpected situations as when the victim is accompanied by another person.

d) Simulation (a trial run of the attack in the same area a few days before the action)

IV. Implementation of the plan (details on how to fire the shots, who will be the first to fire, who will deal the death blow, and who will leave the written message)

V. Assessment (of the action):
* positive
* negative
* consequences.

The document includes two maps: one on the locations of the attackers and the whole development of the action, and another which includes the possibility of perpetrating the attack either in the morning or in the afternoon.

The "party" sent to the "hit squad" a MGP submachinegun, three 38-caliber revolvers, dynamite charges, a sport bag, and a message containing the subversives' demands. They are also provided with a car and a driver.

The hit squad that was in charge of killing the Army commander was comprised of the following groups:

a. The "contention group," made up of three terrorists identified by numbers one, three, and five. This group was charged with acting in the face of any situation.

b. The "attack group" made up of terrorists identified by numbers two and four, who were in charge of perpetrating the murder.

c. The "support group" made up of the driver who transported the criminals, and the "chasqui" in charge of receiving the weapons as soon as the murder was perpetrated, and serving as a courier with information on the attack for the top guerrilla leaders.

The "arrangement for the action" is the stage in which the victim is watched or "measured." In the case of the commander, this procedure lasted just 10 days because

he rarely changed his habits. Consequently, the subversives thought that the action could take place in the morning from 1030 to 1120 or in the afternoon from 0320 to 0430. This procedure was in accordance with the habits of the future victim.

The "measurement" procedure even included the work place of the target person, "who changed his schedule as of 22 October because of plans for a celebration in his garrison." The Army commander discharged his duties at the Army garrison near kilometer 11 on Tupac Amaru Avenue in Comas District.

The details include the physical characteristics of the victim, the type of vehicle as well as the weapon he uses. The annihilation plan includes the following description: "This individual carries an automatic pistol," adding that he also "carries a small James Bond-type suitcase."

Details on his movements are also accurately described: "He drives his car himself, at a regular speed of 40 km per hour. He parks his car inside (the garrison)." "He gets out (and returns) to his car slowly and in a relaxed mood. The car seems to be in bad condition, because it makes a loud noise.

The point concerning the "structure of the area" thoroughly describes the characteristics of the area where the action will be carried out: It specifies whether the road is cement or a compacted sand road, and whether there are big holes or speed breakers, or some masonry. It also reports on whether the traffic is slow or fast-moving, or whether the houses have one or several floors, if there are stores and bus stops in the area, etc.

Regarding the "masses" the terrorists provide details of the social level of the people living in the area of the crime. What is important is that a certain level of "infiltration within the masses" can prevail in the area. According to the document, the location chosen to murder the commander "has an advanced ideological level, which can be noted by the presence of the party. Disorder, propaganda, and sabotage also have been promoted in the area." What is very important is that "there are masses which support (the Shining Path) in this zone." This means that most of the time, terrorists attack their victims in areas where they have previously carried out a recruitment campaign.

Regarding the "reaction" the terrorists provide details on fixed or moving locations of the security forces in targeted areas, including the house and the work location of the target people as well as the surrounding area. They focus on the distances separating each police station or military unit.

The "sequence of the action" discribes how the annihilation group, once all previous points have been thoroughly studied, departs to look for its target.

All meet at the house of a "support man" who lives in the area where the crime will be committed, and it is there that they must carry the weapons and explosive charges. Then they leave the house in groups in the following manner:

a. The first to leave are members of the "foreign contention group," the Shining Path members designated as numbers one and five, who in any event will shelter those of the "attack group." They will go with the driver. Number one, five, and the driver each carry two five-stick dynamite charges.

b. Then the "direct contention" group member leaves. He is number three, who carries a 38-caliber revolver and a five-stick dynamite charge.

c. The third to leave are members of the "attack group," the Shining Path members designated as numbers two and four. The first has a submachinegun and a 38-caliber revolver, while the second only carries a revolver, plus the written message.

On reaching the set point, the murderers will circulate through lateral streets, "camouflaged according to the zone and following their last reconnaissance," because it is thought that they have already rehearsed the attack at the location.

Minutes before the target person leaves his house, the "military commando", that is, Shining Path member number two, makes a final reconnaissance of the zone, verifies the position of the other members of the group, and verifies "the objective conditions" of the point of action.

The position of the commando before the attack is that shown in picture number one, if carried out in the morning, and should it fail, it will be carried out in the afternoon, as shown in picture two. [The two photos are not included in the report.]

The operation begins in the following manner:

a. The victim's car is seen first by five, who on seeing it pass crosses the street so that one can also see the car.

b. When one sees that five crosses the street, he also crosses the street before the target car passes him, so that two and four will also see it.

c. As two and four have been alerted by the movement of one, four bends down to tell the driver to start the engine and to begin moving slowly, so that it appears the car is going to cross Puno Street. At this moment, number two, the "military commando," is alerted to "the initiation" of the action. At the same time, two and dour approach the target when he is about six meters away from Lima Avenue. The driver stops in front of the victim, forcing him to stop his car. This is the moment when two approaches the victim, pulls the submachinegun from the sports bag he is carrying, "and fires in bursts, while he moves closer to the victim."

d. Number four fires at the victim, "giving him the coup de grace, confiscates the briefcase (steals the James

Bond-type briefcase) and the (victim's) pistol," and sticks the written message on him, while number three moves toward Lima Avenue to engage in a "direct contention" action should the security forces react immediately.

e. Both one and five, those of the "foreign contention group," will remain at their posts until two and four have fled.

The "withdrawal" begins when the "annihilation has been guaranteed;" four has left the written message and the "military commando" has given the order to retreat.

The first to leave the point of action are four, three, and two. They get into the car, take Lima Avenue until Belaunde Avenue, East. Then they leave their weapons and dynamite charges in the house of the "chasqui," or "support man."

The murderers of the "hit squads" plan everything. Thus they also prepare what they call "changes in plans," which are measures for any unpredicted event:

a. If the victim is accompanied by another person, number four observes "the attitude adopted by the other person, and if he is a miserable (that is, a member of the security forces), he goes on with the annihilation, while the intended victim is also killed."

The Shining Path members show their absolute disregard for life in the following "contingency:"

b. "should the target person be accompanied by a woman who shields the objective, number two fires bursts of machinegun fire mercilessly, thus complying with the political and military objective."

After the assassination, an "assessment" of the action will be made: whether it was done well or not, and the lessons learned from it.

But the attack will be possible only if the members of the "hit squad," at a "unity" meeting, agree on the following:

a. "Commitment to fulfill the political task."

b. "Willingness to assume the cost that the action may require, that is, readiness to die.

c. "Commitment to keep the golden rule:" Not to say anything about the plan to people who do not belong to the group, because otherwise they could be executed.

The arrest of the second group of murderers of the "zonal committee, north," prevented the murder of Peruvian Army Commander Julio Acevedo Molina, but there are other "squads" still intact, and those who have been arrested have probably been replaced by others.

Shining Path's meticulousness in preparing and executing a "selective anihilation," according to this report, reveals an organizational capacity that must be fought with intelligence more than with weapons.

Shining Path Leader Arce Borja Interviewed

PY2211233891 Lima EXPRESO in Spanish 17 Nov 91 p A14

[Interview with Shining Path leader Luis Arce Borja by EXPRESO correspondent Jorge Salazar in Zurich; date not given]

[Text] [Salazar] It seems that the Shining Path organization has unleashed attacks against priests and the church in the past few years, and especially this year. Does this mean that the Shining Path identifies itself with Marx's famous saying: "Religion is the opium of the people?"

[Arce Borja] There has been an attempt to attach an anticlerical character to the guerrilla in the wake of the murder of some priests involved in the antiguerrilla struggle. It should be clarified that the high-level Peruvian clergymen have taken advantage of the Peruvian people's religiosity to serve the interests of the bourgeoisie and landowners. Here is proof: On 12 October, Cardinal Landazuri agreed to create the Peace Commission with the government. And we ask: Is it possible to create a true Peace Commission with the representatives of the murderers and those involved in genocide? Not at all. It should be noted that leading clergymen have been linked to groups of power throughout the country's history. Landazuri himself blessed the armored cars that were sent to Ayacucho. We can mention the case of Monsignor Durand, who advocates the cruel big package promoted by Fujimori against the people's interest. Monsignor Gurruchaga has been seen on television in the company of those civilian groups which promote the struggle against the popular guerrillas. This is proof that the priests resort to the people's religiosity to confront the pro-Maoist guerrilla in this crucial stage of the struggle. All major revolutions had to confront the ultrarightist clergymen. This is what is happening now. The pope himself came to Peru to express his support to the government and not to condemn the genocide or actions involving missing people. We should not forget that the pope is one of the activists who promoted the ultrarightist nationalism in East Europe. The Polish priests who were murdered in Huaraz were this pope's personal envoys.

[Salazar] What about the theology of liberation?

[Arce Borja] This is nothing but an attempt to wash the face of this official church; there is no difference. It merely asks the people to be more submissive, to accept their misery.

[Salazar] Moving on to another subject: What is your opinion about the political parties in Peru?

[Arce Borja] The Peruvian political parties are going through a process of self-annihilation. They can no longer sell their products to the masses. That is the case of the IU [United Left], an organization that was definitively defeated in the recent elections. It lacks the rank-and-file members. Neither the ANP [Popular

National Assembly], the CGTP [General Confederation of Peruvian Workers], or the CCP [Peasant Confederation of Peru] led by Letts [not further identified] have adequate representation. They lack a future in the face of the progress made by the popular war, which is a normal situation. Consequently, they will have to leave the political arena.

[Salazar] What is the current stage of the war?

[Arce Borja] I believe that the war is going through the most violent stage, and it will be intensified even more with the arrival of the U.S. troops. It is not possible to imagine how violent the war will be. An all-out war will be unleashed, that is, the masses led by the Communist Party of Peru will go against the reactionary group. This will be a hard and violent struggle, but nothing will stop the Shining Path's victorious march. Victory will be unavoidable for the revolutionary masses.

[Salazar] Well. You talk about violence and an all-out war. I want to ask you a personal question in this regard. What do you think about the innocent people who die every day?

[Arce Borja] Wars regrettably contain great tragedies, but this is the only way to definitively free the people. The bourgeoisie will be ousted from power only through violence. They have used violence over the years because this is their favorite method. Violence is now being promoted against them so as to establish a definitive peace.

PCP Leader Del Prado on Party 'Crisis'

PY2211194691 Lima LA REPUBLICA in Spanish 15 Nov 91 Political Section p 8

[Text] Jorge del Prado, general secretary of the Peruvian Communist Party [PCP], has accused the government of subserviency because "with the excuse of liberalism it is gradually squashing the working classes' social rights."

The veteran communist leader made this statement upon announcing that the 10th PCP Congress will take place between 20 and 24 November. Del Prado said that on that occasion "we will raise various current national and international issues."

Del Prado emphatically dismissed the possibility of the PCP changing its name and accused USSR leader Mikhail Gorbachev of having betrayed the international communist movement and of having definitely harmed the socialist countries whose governments have been ousted.

Del Prado said that during the PCP 10th Congress, the militants will have a chance to discuss three important issues that directly affect the PCP: Alberto Fujimori's pro-IMF government, the crisis of the international communist movement, and the party's internal situation.

In referring to Fujimori's government, Del Prado said that it is a pro-IMF government that follows the instructions of the international financial system and of the IMF.

The PCP leader added: "With the excuse of reinserting the country in the international financial system, new standards of living are being imposed on Peru and its working class. The country is not only forced to meet new demands, but the government is also compelled to squash the social achievements and the rights of the working class.

He added that with the excuse of implementing a liberal economy the working class is being turned into mere chattel with no rights.

Del Prado accused the government of handing the internal market over to exporters and foreign investors, "which represents a hard blow to Peru's sovereignty and will make our country more dependent on the fluctuations of the international market."

He also accused Fujimori's government of abandoning the state's true responsibility to safeguard the citizenry's well-being. Del Prado said that "the state has yielded its social role by handing this task to the private sector. Moreover, it is moving toward a foreign privatization to the detriment of the country's socioeconomic independence."

Regarding the legislative decrees being issued by the government, he noted that the Executive Branch is making excessive use of the authority granted it by the Legislative Branch.

Del Prado said: "These decrees are very important to the country's economic structure, and if the Executive Branch insists on doing the tasks of the Legislative Branch, we will have to annul those decrees because they represent a threat to the country's economy."

Del Prado said that Gorbachev and perestroyka are to blame for the crisis affecting the international communist movement and added that they have definitely harmed the socialist countries' whose governments have been ousted and where, although the communist parties have not disappeared, they have had to change name.

Del Prado commented that this situation has influenced the spirit of the communist militants throughout the world, even the former communist cadres.

"Many adversaries of communism, who maintain that Marxism-Leninism no longer represents an alternative for society, are even taking advantage of this situation," he asserted.

Del Prado said that this will be a priority issue raised during the 10th PCP Congress. "We are going to raise the issue to give the militants an explanation and are going to decide whether or not the party remains on its feet, whether its goal continues to be feasible in order to be able to again launch the Communist Party and rescue the

inheritance left by Jose Carlos Mariategui and taking advantage of world experiences."

In referring to the party, Senator del Prado termed "serious" the situation of the communist organization, from the point of view of its actions and propaganda.

Port Workers Begin Indefinite Strike

PA2611183491 Lima Global de Television Network in Spanish 0100 GMT 26 Nov 91

[Text] On 26 November, a widespread and indefinite port strike began. Augusto Rios, general manager of the National Ports Enterprise [Enapu], said that approximately 20 percent of the labor force reported to work. The strike, however, did not hinder the normal functioning of port activities, he said. The strikers are demanding payment of a bonus. The Enapu official noted that the problem will be solved shortly.

In El Callao Port, only 20 percent of the Enapu labor force ignored the strike. According to government sources, normal operations were not interrupted in Paita, Chimbote, Pisco, Matarani, and Ilo despite the shortage of workers. Salvarri Port was totally paralyzed, however. The indefinite strike is an extreme measure by the National Ports Enterprise Workers Federation to force the authorities pay 45 new soles in compensation owed to them since March.

[Begin recording] [Adolfo Granadino, organization secretary of the National Ports Enterprise Workers Federation] We have been demanding this payment. The Labor Ministry has issued the corresponding resolutions in El Callao, Matarani, and Chimbote. On 5 November, we met with the president of the Council of Ministers. Attending that meeting were the National Human Rights Commission chairman, the chairman of the Enap board of directors, and the Federation's leaders. The problem was almost settled at that meeting, pending the approval of the Economy and Finance Ministry.

We have been trying to get that ministry to sign the document, but it has not. Our response is an indefinite strike, which we tried to avoid for the last seven months.

[Rios] Very few workers reported to work. We can say that approximately 20 percent showed up. The important thing is to prevent a suspension in the handling of vessels. We are also providing administrative services. For that purpose, professional employees are performing the work of the absent personnel. We have accountants and engineers performing the work of the striking workers. [end recording]

Marines Control Ports Following Workers Strike

PA2611185591 Madrid EFE in Spanish 1639 GMT 26 Nov 91

[Text] Lima, 26 Nov (EFE)—On 26 November, Peruvian marines took control of the operation of some of the port services due to a strike staged by workers from the National Ports Enterprise of Peru.

The measure, which was ordered by the government of Peruvian President Alberto Fujimori, was interpreted as a response to the association of stevedores, which is opposed to government policies aimed at liberalizing port services.

The association, headed by leaders from the former ruling party, the American Popular Revolutionary Alliance (APRA), announced an indefinite strike and demanded payment of $75 bonuses.

Adolfo Granadino, a leader of the association, said the strike "is being observed by 3,200 port workers," who are accused by the government of defending salaries that allow them to rehire laborers to work for them, which increases the cost of Peruvian exports.

Meanwhile some 100 women, the wives of striking miners, accompanied by their children, began a series of protests in Lima on 25 November because the Pacacocha Mining Company owes them money.

According to a spokesman from the National Federation of Miners and Metalworkers, the women arrived in Lima on 24 November after walking from a mining camp in the Andean village of San Mateo, Lima Department.

Fujimori, Borja Talks on Border Issue Viewed

PA2611234791 Madrid EFE in Spanish 0742 GMT 26 Nov 91

[Text] Lima, 26 Nov (EFE)—Prior to the meeting that the presidents of Peru and Ecuador will hold in Cartagena, Colombia, on the occasion of the Andean countries summit, Peru has proposed to Ecuador an agreement to put an end to the military tension along their common border.

Last night, Peruvian President Alberto Fujimori delivered an unscheduled 5-minute message, which was broadcast on radio and television, to announce that he has proposed to Ecuador a treaty to ensure compliance with "reciprocal security measures and arms reduction objectives."

The two countries have had ongoing border conflicts that have grown more serious since July because of the controversial interpretation of a border treaty signed following the 1941 war between the two countries. The interpretation resulted in a brief armed conflict in 1981.

Fujimori said he "fervently" hopes Ecuador will accept his proposal for a "Commercial and Navigation Treaty" to allow for "the marking of border" areas that still need to be marked. Fujimori said the agreement will promote a climate of "mutual trust" that will contribute to integration and to bilateral and multilateral programs for economic and social development.

The Peruvian president said Ecuador would have to accept the Peace, Friendship, and Limits protocol signed by the two countries in 1942 in Rio de Janeiro following the war of the previous year. Ecuador must also accept "the cooperation" of the four nations (Argentina, Brazil, Chile, and the United States) that are the guarantors of that treaty, Fujimori said.

Ecuador, however, maintaining a position that is virtually an expression of its national identity, rejects the validity of the Rio Protocol. It argues that the protocol was imposed on Ecuador by force and noted that as a result of the 1941 war, it lost its Amazon territory to Peru. Fujimori said he is prepared to implement a treaty according to which Ecuador could use the river ports on the Amazon basin that lead to the Atlantic Ocean.

In response, Ecuador reiterated a proposal made by Ecuadoran President Rodrigo Borja at the most recent UN General Assembly meeting. This proposal calls for papal arbitration in "the territorial conflict" between Ecuador and Peru. Fujimori then sent a special envoy to Quito: Peruvian Housing Minister Oscar de la Puente. Later the Ecuadoran Foreign Ministry issued a communique implicity rejecting the Peruvian proposal.

Ecuador has stated that Peru has reiterated "its well known position" on the validity of the Rio Protocol. Ecuador noted that the "the only viable way to definitely and fairly resolve the territorial problem" is through the mediation of the Vatican.

Next week Borja and Fujimori will attend the summit of the chiefs of state of the five Andean countries in Cartagena, Colombia. There are doubts about whether Fujimori and Borja will discuss directly the border issue at the meeting, as Brazilian President Fernando Collor has proposed.

According to Peruvian observers, the possibility of direct talks between Fujimori and Borja could depend on the results of the talks that the ten Latin American chiefs of state of the Group of Rio hold prior to the Andean summit, in the same Colombian city of Cartagena. Argentina, Brazil, and Chile form part of the Group of Rio and are also the three Latin American countries that serve as guarantors of the Ecuadoran-Peruvian Treaty of 1942. The Peruvian Government is seeking these three countries' support to resolve the border crisis.

Peru has sent a congressional delegation to the guarantor countries of the Rio Protocol. The delegation has already visited Brasilia and Buenos Aires and is now in Santiago as part of the most important Peruvian offensive for its cause.

The proposal Fujimori has sent Borja represents the first direct communication between the two chiefs of state since border tension increased in July.

A verbal agreement on the withdrawal of forces 1 km from the border secured by Ecuadoran Foreign Minister Diego Cordovez and his then Peruvian counterpart, Carlos Torres, was severely criticized in Lima and apparently was filed away following the recent Peruvian Government crisis resulting in the replacement of the foreign minister. It is believed that Torres, who was also prime minister, no longer holds these positions because of strong military and parliamentary pressure.

Poll Shows Fujimori's Popularity Increasing

PY2611233491 Lima EXPRESO in Spanish
20 Nov 91 p A5

[Excerpts] Support for President Alberto Fujimori grew in November with respect to October, reaching 58 percent, which is the highest mark thus far this year. In October, support for the president had reached an annual record of 54 percent. [passage omitted]

Twenty-six percent of the people polled disapproved of the work by the president in general, while 16 percent gave no opinion.

The Government as a Whole

A poll performed by Apoyo Corp revealed that 48 percent of those polled approved of the work by the government as a whole, while 33 percent disapproved of it; 19 percent preferred to remain silent. [passage omitted]

Overwhelming Support

The poll showed overwhelming support for some of the measures that the government has recently enforced through decrees.

Eighty percent agreed to the elimination of the state electric power supply monopoly, while 16 percent were against it. The elimination of the state monopoly in the water supply and sewage services was approved by 78 percent of those polled, while 14 percent were against it.

Also 78 percent agreed to the operation of private enterprises other than the IPSS [Peruvian Institute of Social Security], 77 percent agreed to the elimination of the postal state monopoly, and 74 percent agreed to the elimination of the railway service monopoly.

However, only 31 percent of those polled approved of the change of state participation in education; 40 percent were against it. Finally, 16 percent agreed to the modification of labor laws, while 16 percent were against it.

Central Bank Reports International Reserves

PY2611225891 Lima EXPRESO in Spanish
13 Nov 91 p A4

[Summary] Central Reserve Bank President Jorge Chavez Alvarez has reported that the country's international reserves are currently $1.034 billion.

Venezuela

President Perez Interviewed on Economic Issues

PY2511161691 Rio de Janeiro O GLOBO in Portuguese 23 Nov 91 p 34

[Interview with President Carlos Andres Perez by Cristina Veiga in Sao Paulo on 20 November]

[Text] [Veiga] How was the Venezuelan economy in 1989?

[Perez] The situation in Venezuela was similar to that experienced in other Latin American countries. There is a common factor in the economies of this region that results from the reality imposed on us by the industrialized nations and not from the ineptitude of our governments or from over-praised populism. In the face of the global economic configuration of the past few years, we become raw material suppliers for the developed nations. We also faced times when international organizations completely disregarded us. Consequently our countries developed a self-defense system that led to exaggerated growth of the state and to the establishment of a structure of state enterprises that was not submitted to a pro-state ideology linked to the Marxist-Leninist theories, but which promoted the defense of national interests. Exacerbated nationalism developed.

[Veiga] But you have nationalized most enterprises under your administration.

[Perez] I will explain that. What I have just described led to the establishment of artificial economies in Latin America. They were based on subsidies and on excessive protectionism. This situation distorted the economies of Latin America countries. Moreover, the concept—which I regarded as necessary—that strategic enterprises should be nationalized came about. One result of this was that a number of enterprises were improperly nationalized. Then another most important factor occurred as a result of the expansion of the oil production: the accumulation of foreign currency. We became a paradise for foreign currency exporters. Finally, in the 1980's, Latin American countries were affected by the great foreign debt. This is the global situation of the Latin American countries.

[Veiga] What had to be changed?

[Perez] This situation forced us to make deep but very speedy and violent changes in our economies as well as to promote exports. This represented a great sacrifice that was difficult to honor. First, the industrialized countries wanted to recover their money. They violated our countries' regulations on many occasions in their efforts to collect that money. The international financial organizations responded to this demand and urged our countries to pay their debts under tremendous conditions. These conditions went beyond our ability to meet the demands without seriously harming our economies.

[Veiga] What measures did you adopt first?

[Perez] First, I decided to dissolve our economy's artificial process, under which all prices were subsidized. Our oil paid these subsidies. A number of indirect and perverse subsidies had been created, a fact that completely confused the economy as far as the value of articles is concerned. Public services were also subsidized. These measures all sought to maintain an artificial situation in which inflation was a word barely mentioned. This situation concealed the inflationary process.

[Veiga] But when subsidies were cut the inflation increased....

[Perez] When that artificial aspect was terminated things became worth their real value. The consequence was a change in the domestic economy and an inflationary process was unleashed. Beside that, we maintained—because of our oil—an overvalued currency. This made it easy to import things. The bolivar was worth much more than the dollar. When the exchange was brought to a realistic level, our currency became terribly devalued. This gave another blow to our domestic economy, demanding really hard sacrifices from the population. However, this sacrifice allowed our economy to grow normally, as is happening now.

[Veiga] Can you describe that process in figures?

[Perez] Inflation was unheard of in my country because the dollar and oil covered everything. When we began the normalization process we eliminated all the artificial aspects of the economy, and the inflation grew to 80 percent annually, to nearly 90 percent. This happened in 1989, when I began my second term in office. In 1990 inflation dropped to 35 percent, and it is estimated that it will drop to 28 percent this year. Our annual inflation is still high.

[Veiga] That is our monthly inflation....

[Perez] The economic realities are very different in the two countries. In Venezuela we had a very important safeguarding factor: significant oil production. It is the only basic product whose price has not dropped during this disastrous fall in prices within our countries, where the prices of raw materials and basic products have fallen. That is the difference between us and Brazil.

[Veiga] How was the privatization process?

[Perez] We maintained that the strategic companies should remain in the hands of the government because they are basic and guarantee our development. The government has become owner of companies that had nothing to do with it. Many hotels in the country belong to the government. Why should the government own them? The government owns sugarcane plantations. Within that artificial economy the government owns banks that went bankrupt. Why not privatize them?

[Veiga] But how was the privatization process?

[Perez] Everything was done in an absolutely transparent manner. The sale was handled through bids and the transfer was handled by consultant companies. Everything was sold in cash [preceding word in English]. Venezuela did not receive any papers, it did not give terms or loans to privatize its goods.

[Veiga] The first measures caused recession in Venezuela, right?

[Perez] During the first year of my administration the gross domestic product [GDP] fell by 8 percent. This shows the extent of the sacrifice made by our country. This happened because, when we changed from an artificial reality, our imports—we buy nearly everything abroad—were guaranteed against any devaluation of our currency. Businessmen owed billions of dollars worth of letters of credit when the government decided to devaluate the currency. The exchange difference used to be paid by the government. My government did not accept this but it did not leave all the burden on the businessmen. The burden was split: 50 percent was to be paid by the private sector and the remaining 50 percent by the government, which gave up billions of bolivares that would have served to make investments. The private sector also lost many million bolivares, which finally annihilated investment possibilities. This, of course, caused a very severe recession in the country in 1989. It demonstrates the harsh blow Venezuela suffered.

[Veiga] Has this process been reversed?

[Perez] When we took office, Venezuela had $300 million in reserves. Our reserves now total $12 billion. Our economy grew 8 percent in 1989; 5 percent in 1990; and 10 percent to October 1991. The international organizations stated that, among the Latin American countries, Venezuela had the highest GDP growth in 1990. In 1991, it will continue to be the Latin American country with the highest GDP growth. So far, we can say that our economy is recovering with great force.

[Veiga] Do you still have many domestic problems?

[Perez] We still have not solved all our problems. Our people still suffer the effects of these measures. Our standard of living has changed entirely. We did not know what inflation was and did not have high prices. Currently, a liter of gasoline costs only $0.06 and until recently it cost $0.05. This situation was entirely artificial.

[Veiga] Did these measures reduced tremendously the purchasing power of salaries?

[Perez] Salaries did not increase proportionately. Venezuelans suddenly had to get used to paying for things. Reactions were very strong. The standard of living, particularly that of the middle and lower classes, decreased.

[Veiga] How are the social programs you had to implement after the "Caracazo." [the social unrest, protest demonstrations, and looting that followed the austerity measures announced in February 1989]

[Perez] The reduction in the purchasing power of salaries was compensated by very aggressive social programs that favored half the population. We do not have a structured social security service like some developed countries. This was one of the problems that the IMF and the multilateral organizations refused to see when they imposed their conditions. Our programs included public schools, where we can count the children and the number of destitute people. We included data on the children in all the schools, villages, country towns, districts, cities, and settlements in a computer database. We grouped them by family, and granted them a sort of foodstuff scholarship for up to three children per family. We created the Foodstuff Bond. We thus assisted half of all Venezuelan families. There are 1.3 million families in Venezuela, representing some 2.5 million children. Within the framework of the foodstuff scholarship, we give mothers a certain amount of money and bonds to buy a specific amount of powdered milk, rice, and other grains. This will temporarily improve their situation. Unemployment has increased and, although we have granted three salary increases, purchasing power has decreased and salaries are not keeping up with the increase in prices.

[Veiga] Would it have been possible to implement a liberal plan without the social pact?

[Perez] Of course not. It has been very hard. In the beginning, businessmen and workers resisted the idea. Businessmen, however, realize that the situation is improving and are becoming easier to deal with. Nonetheless, whenever we want to implement changes, they protest. As for the workers, it has been harder to deal with them because they are more directly affected by the situation. This is why it is more difficult to deal with them.

[Veiga] How have you been able to govern without a majority in Congress?

[Perez] All the political parties have shown understanding.

[Veiga] How was the negotiation with the IMF?

[Perez] This is a very controversial problem for all of Latin America. The IMF requests control of expenses, implementation of measures to fight inflation, and a whole series of details of a solution they want to prescribe for our countries. The problem consists on how, and under which conditions, the IMF requests must be complied with. These requests have caused serious problems for Argentina and Brazil. These countries began a process by being willing to solve the problem of their public debts and by making their economies artificial to comply with the conditions imposed by the IMF and the international banks. Our countries really could not put up with these conditions, because the IMF did not consider the social situation in our countries or our real

situation. Pay, they said, but they never explained where we could obtain the money to pay them. They even forced us to pay for our debts under conditions that were not adequate to our economies. In addition, they did not grant us any economic assistance. Without this economic assistance, we not only could not grow, but also had to continue paying them.

[Veiga] You have been saying, however, that these conditions have changed.

[Perez] The IMF conditions have changed significantly, although they still do not consider the characteristics of each country's economy. I normally say that the IMF is like Moses coming down from Sinai with the 10 Commandments. This is what we have been experiencing. Fortunately, however, certain demands of international organizations have been changing. We can say that the IMF has become "more humane." They now understand each country's situation a little better and are aware of something: An economy cannot be reformed without growth. Parallel loans earmarked for debt payments and aimed at economic growth are beginning to be granted. Venezuelan social programs were financed with World Bank loans because we had no funds to finance them.

[Veiga] From the international point of view, is the establishment of a common market the solution to Latin America's economic problems?

[Perez] There is no doubt about that. Without blaming it entirely on the plans drafted for us by the ECLA [Economic Commission for Latin America], I must say that based on these plans, we began to replace imports by creating national industries in the fifties and sixties. This process, which was important and stimulating at that time, began to deteriorate because we created industries that were not feasible in our countries. This mistake was disguised by the establishment of customs barriers and import bans that created very serious problems in our economies. This is one factor that brought about the current crisis.

[Veiga] What has changed: You or the world?

[Perez] Both. We are living in a revolutionary moment of world history. We have witnessed what occurred in the Soviet Union, and this was not the only surprise history had for us. As events there occurred behind walls, we could not observe their gradual development. Great changes were also occurring in the Western world but they were not hidden behind walls and could thus be observed. This is why they did not seem so sudden as the thunderous fall of the Communist world. For many years, the so-called Socialist world had been dragging along. In our case, however, we must be wise in changing. Instead of industries to replace imports, we must create industries to export. After closing our economies behind Chinese walls, we must make a great effort to open it and make it competitive in the international market. This is the great effort we have been making and, so far, it has not been easy.

Seven Wounded in Presidential Summit Protest

PA2711041391 Mexico City NOTIMEX in Spanish 1517 GMT 26 Nov 91

[Text] Caracas, 26 Nov (NOTIMEX)—At least seven people were injured during antigovernment protests that shook three Venezuelan cities before the Group of 15 presidents' summit scheduled to start in Caracas on 27 November.

Local media reported on 26 November that, following last week's riots that left three people dead, the value of some Venezuelan bonds had dropped in the international market.

Hooded students from the Central University of Venezuela (UCV)—which was closed down last week, along with other higher education centers, to prevent riots—clashed with police: six policemen and one student were injured.

The hooded students set fire to a truck on the UCV campus, which is less than 3 km southwest of the hotel where presidents and special guests of the second summit meeting of the Group of 15 are staying.

Unidentified students from Eastern University (UDO) set fire to two trucks in Barcelona, approximately 300 km from Caracas. Unidentified groups threw Molotov cocktails at the regional headquarters of the ruling Democratic Action (AD) party in Valencia, 600 km southwest of Caracas.

On 25 November university groups, community groups, and the municipal council of Caracas repeated their plans to hold a "march for peace" on 27 November to protest police repression.

The Federal District's governorate has announced that it will not authorize the demonstration unless the route is changed because it is scheduled to go past Miraflores Palace, the headquarters of the executive branch, and to stop in front of district authorities' offices.

Students Plan Protest Against Police Actions

PA2711041691 Hamburg DPA in Spanish 1428 GMT 26 Nov 91

[Text] Caracas, 26 Nov (DPA)—Thousands of university students will hold a peaceful march in the center of Caracas on 27 November to protest police repression. The march will be a continuation of a wave of street protests that have left five people dead and dozens of wounded in the past two weeks.

The students will march from the Caracas suburb of El Paraiso to the Caracas Federal District offices in the center of the city to demand social improvements and protest police repression and the results of the austerity policy promoted by Social Democratic President Carlos Andres Perez.

The wave of demonstrations, which began more than eight months ago, intensified two weeks ago when five people were killed and dozens were wounded. As a result, the police were placed on a state of alert and classes were suspended throughout the country.

Perez, in trying to solve the conflict, has publicly condemned the death of the students and announced severe punishment for the members of the police and National Guard who use firearms to disperse demonstrators.

After three days of calm in Caracas, on 25 November, groups of unidentified individuals exchanged gunfire with police at the Central University of Venezuela. The disturbances, which broke out when approximately 100 "hooded" individuals burned a truck of a toy company near the university, did not cause any dead or wounded.

According to reports in the local press, a group of youths who identified themselves as university students, demanded that President Perez and Caracas Mayor Claudio Fermin "stop traveling and begin governing the country."

The city of Barquisimeto, approximately 100 km from Caracas, was also the site of student protests that ended without incident.

Student leaders have met with Caracas officials to negotiate a solution to the conflict. After the meeting, the students announced they will hold a peaceful march on 27 November. It will end with a rally in front of the Caracas Federal District offices.

Minister Says No Increase in Student Bus Fares

PA2611160491 Caracas Venezolana de Television Network in Spanish 1604 GMT 25 Nov 91

[Text] Jose Luis Bruzual, acting minister of transport and communications [MTC], after meeting with leaders of the union of bus drivers, said that the half-fare for students has not been and will not be eliminated in favor of a higher fare. He said that MTC gives bus drivers proportionate compensation so that owners and drivers do not suffer hardship. Consequently, no modification of student bus fares can be justified. He warned that any drivers who violate this regulation will be penalized, even with the loss of their licenses.

[Begin recording] [Bruzual] We have asked the minister of education and the governor of the Federal District to invite the representatives of primary and secondary schools for a meeting to discuss these points. We are very much interested in harmony and communication. The involved parties should sit and talk over the various problems related to the student fares so no difficulties arise.

[Union leader Simon Ladera] Drivers and leaders will be convened for an assembly to hear the agreements we have reached with the MTC on the collection of fares prior to the most recent increase. This means that drivers will have in their vehicles a document with the fares sealed, signed, and revised by the unions so the regulation can be fully complied with. [end recording]